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GOVT PUBNS

ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE INTERESTS IN THOSE AREAS OF TERRITORIAL LANDS IN THE YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUCTION AND OPERATION OF THE SAID NATURAL GAS PIPELINE AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD:

K.M. LYSYK, Esq., Q.C.	CHAIRMAN
WILLARD PHELPS, Esq.	MEMBER
MRS. EDITH BOHMER	MEMBER

P R O C E E D I N G S

VOLUME 42

WHITEHORSE, Y. T.

JULY 7th, 1977

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ALLWEST REPORTING LTD.
BURNABY 2, B.C.

Whitehorse, Yukon Territory

July 7th, 1977

COMMUNITY HEARING

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. CHAIRMAN: Ladies and gentlemen, I'd like now to open this community hearing, the last of our hearings in the Whitehorse area and next to the last in our series. We conclude the community hearings tomorrow in Carcross.

Let me begin by introducing the members of the Board. My name is Ken Lysyk and my colleagues on the Board are Edie Bohmer and Willard Phelps. I'll just take a couple of minutes to tell you a little bit about our job because I'm sure by now, everybody is familiar in a general sort of way, of what we've been asked by the government to do and how we're going about doing it.

On the first part of that, as to what we've been asked to do, you'll be very aware by now that there has been proposals to build pipelines to move gas from the Arctic to the lower forty-eight States of the United States. The government has said that it wants to make a decision this August, that is next month, as to whether or not to approve a pipeline through Canada. If it is going to give approval to a route through Canada, which one, the leading contenders being the one down the

Mackenzie Valley; the other one being through the southern Yukon. The third option would be one, if Canada were to say - the Canadian Government were to say no pipeline through Canada, in which case, presumably the gas would move by the -- what's sometimes described as the all-American route, that is the El Paso Company's proposal to move gas from the north coast of Alaska to the south coast of Alaska by pipeline and then from there, by tankership, moving the gas in liquid form down to California.

All right, the government says that if -- as I mentioned a moment ago, it proposes to reach a decision in principle next month and with that kind of timing that the government set for itself, it has asked this Inquiry to submit its report by the first of August. It has also, as you may know, established a separate panel to look at environmental concerns and that panel has also been asked to report by the first of August.

So far as our own job is concerned, we're supposed to report in a preliminary way, on social and economic impacts, what the results could be expected to be if a pipeline were built through the southern Yukon. I say preliminary because the government at the outset, has made two things quite clear, that it wanted to have the information available, provided by this Inquiry before it made its decision in principle.

Secondly, if its decision was in favour of the Alaska Highway route, then it would be establishing a second stage Inquiry to produce the final social and economic impact report which could then be used to develop terms and conditions that the pipeline company -- I'll come to that in a moment sir if I may.

I just wanted to give you a few words about our job - what our report is supposed to contain, but insofar as the -- perhaps I might mention that now. Insofar as the pipeline company's policy, that's the Foothills Company that is proposing to build a pipeline along this route, details as to company policy or how they propose to build a pipeline, who they would propose to hire or that their contractors would hire and so on -- questions of detail of that nature, I'll probably be calling on somebody from the pipeline company to speak for the Company. Mr. Burrell from the Foothills Company is here and he should be ready to reply to the kind of question you just asked or any other kind of question.

That's about, anyway, about all I had to say about our job is that to present this preliminary report. If the government of Canada when it has the report of it's increase, it already got last Monday, as you know, the report of the National Energy Board it got in May, the report of Mr. Justice Berger, with respect to the MacKenzie Valley and so on. When it gets these reports it will go through unless it changes it's schedule to go through the decision making process next month and decide which of those routes to give approval in principal to.

But the second very important thing that we're asked to do besides give this preliminary Socio-Economic Impact report is to report to the government on the attitudes of Yukoners. What people in the Yukon have told us about what they think of the pipeline proposal, what they think might be good about it, what they think might be bad about it and perhaps what they think might be done if the pipeline is going to be built to minimize the damage or to make sure that the people who live in the Yukon get the best possible deal out of it.

So that roughly is our job. We've had two kinds of hearings. We've had the formal hearings that had opened the whole process with formal hearings in Whitehorse in May, just before the middle of May. Then we had a round of community hearings. We've been, apart from Carcross tomorrow night now to all the settlements in

the Yukon. Virtually all the settlements. We're carrying on with the formal hearings to the end of this week and all through next week and then as I was mentioning earlier, be preparing our report for the beginning of next month.

That's all I have to say about the job we're trying to do. I just add this. We try to keep these community hearins as informal as possible, unlike the other kind of hearings, in the formal hearings. We don't have all the lawyers here and the cross examination and the procedural problems and so on. We're here to listen. I'm going to be asking in a few minutes if anyone has a statement to make to us or a question to direct to the pipeline company, to come to one of the microphones here, the one on the table or the one up front here. The reason for that is that in these community hearings, like the formal hearings we keep a record of everything that is said to us. Our official reporter is over there and it's necessary so that we're sure our record is complete that you do come to one of the microphones.

So that's all I have to say about our job and more or less how we're going about doing it. I wonder if I might, just to get us rolling this evening, invite Chief Roy Sam to be the first witness to make a statement to us this evening.

CHIEF ROY SAM: Mr. Commissioner and members of the commission. On behalf of the Whitehorse

Indian band, I welcome you to our village. As you all know, probably, I am Chief Roy Sam of the Whitehorse Indian band and if I may I would like to begin by introducing some of the members of our band council that is here. We have a very unique band council made up of all women. Indeed the women's lib is a pretty strong organization around here.

First of all we'll introduce our first deputy chief Florence MacIntosh right at the back there. Sitting in front of her is Anne Smith a member of the council. And over here to my left is Mary-Jane Jim a member of our council. And sitting right back in the corner is two other members of our council. The first one is Edith King. And the other one is Leslie Smith. We have one of our band council members not present tonight is Irene MacIntosh.

The Whitehorse Indian band is the largest in the Yukon including some six hundred members who live in and around the Lake Laberge and Whitehorse areas. It might not be evident here tonight. I see lots of other people.

In your opening remarks of the Inquiry, you stated that your job is to hear our views on the proposal to build a gas pipeline through the Yukon and following the Alaska Highway route and that your Inquiry is to gather further information to help the Government in making a decision on which of the pipeline routes -- on which pipeline route to approve if any.

Your timetable has been short, your job almost impossible, however, you have managed to visit every community in the Yukon, except Carcross. From these community hearings you have heard our concerns, especially the general opposition of the native people to the proposed pipeline and the general acceptance of the project by the white people. From these hearings it should have been very clear to you that we speak with one voice on this pipeline question.

Therefore, we insist that the Inquiry should recommend to the Minister of Indian and Northern Development that no right-of-way be granted to build a gas pipeline through the Yukon until our land claims have been settled and implemented.

The settlement of our claims must be seen as a fundamental condition to the granting of any right-of-way or permit to build a pipeline. Our claim to this land arise from our rights as aboriginal people and from our use and occupation of this land from time

immemorial. We insist on settlement because we want to continue to live on our land, govern ourselves and determine for ourselves what use we are to make of it.

The danger of this pipeline proposes is that we would be placed in the same position as the native people of James Bay and Alaska, where they were forced to accept a settlement. The object of these native claims was to bring about resource development for the benefit of hungry -- energy hungry Americans. This must not be allowed to happen in the Yukon or the opportunity to improve our relationship with the greater Canadian society will be lost. We will be left in a worse position.

This concern has been expressed to you over and over again from all our communities as the native people have related their experiences with fast development.

The evidence of alcoholism, poverty, family break-ups, violence and despair prove that. Development has had little benefit to the Indian people. The position advanced to you by the Council for Yukon Indians is that we are opposed to the building of the pipeline until such time as the land claims has been settled and implemented, as stated by the C.Y.I.

The purpose of this position is to protect ourselves from the bad effects of the pipeline construction and at the same time prepare us to

take advantage of any possible benefits of such a project. The Whitehorse Indian Band wishes to make that position unanimous. We do not want to repeat the history of past developments.

Further, we submit in the event the Alaska Highway Pipeline route is approved, you should advise the Government that the native communities are opposed to the construction of the pipeline because the native people would suffer, rather than benefit from the project.

The evidence of the community hearings bear out this fact.

On the other hand, you have heard the white people, including the members of the Territorial Council, City Council, and LID's, who claim they will benefit and suffer little or no negative impact. Therefore, we insist that the full benefit of two hundred million, as recommended by the National Energy Board go directly to the native communities as compensation.

That Mr. Chairman is the extent of my report.

MR. CHAIRMAN: Thank you very much Chief Sam.

CHIEF SAM: Have you any questions you would like to ask me?

MR. CHAIRMAN: None from the

Board, unless someone else here at the meeting has a question they would like to ask Chief Sam. Well, sir, thank you once again for introducing your Band Councillors and making that presentation.

MR. CHAIRMAN: Can I -- I'll ask you, if I may as I did everyone else to begin by identifying yourself for the record, giving your name.

MS HANSEN: My name is Marsha Hansen, and I'm a resident of the Yukon Territory.

The pipeline, to me, means disaster for the land and great disturbance amongst the people living in the small communities, but especially the Indian people.

It saddens me to think that the Government, which is supposed to be made up of human beings, can put development in front of a race of people who have so much knowledge to offer. Not in dollars and cents, but through the land which has provided and been a way of survival for the Indian people. Let them decide what development is to take place on their land of origin. If not for this generation, then think of their children and grandchildren. If you don't you could destroy a people which have so much to show you. They lived without industry before the white man came and made the Indians so-called civilized. All they are asking for now is to have a right to speak and to be heard.

If and when the pipeline goes through, it could destroy the Indian people and their way of life. Give them the chance to regain control of their own lives. Is it too much to ask the government to stop

the wheels turning in their money-making heads? And, if their hearts will allow, to consider the people who will be damaged beyond repair.

The land is all they lived for. If you destroy it now, you destroy the only chance they might have to show the white man that they are a proud people and that they want to be recognized as their own race, not as a brown white man.

You might be asking yourself at this moment -- she's white, why is she speaking along with the Indian people? Well, I'll tell you why. You have to live with and associate with Indian people to really understand them and their way of life and I've done that. I'm proud to say that I have learned a great dea from them and I greatly respect them and their way of life. They are no different from me. They have feelings and ambitions and they are human beings. They have strong traditions and a very strong unity amongst their people. They work together as a people and as a family. Not as individuals working to attain a higher goal than his fellow worker.

My children will be half white and half Indian and my husband will teach them as much as he knows about the Indian ways and his culture and about his ancestors. I don't want them growing up trying to regain their identity like my husband's doing now. It is not for his self or myself that we are fighting. It is for

our children and future children of the Indian people.

I'm not trying to discriminate white people, after all, I am white. All I'm trying to do is to get you to look on the other side of the facts.

I have listened to the opinions of the people about the pipeline since it started in Beaver Creek, either by being present or listening to the radio. I hear a lot of business people crying to get construction on the way. The operators of any type of business is naturally going to benefit some, but what about the little people? The business people won't lose anything if the pipeline doesn't go through. They still have their tourist industry in the summer. Even now, many of the businesses along the highway make their money here in the Yukon during the summer and leave during the winter -- for California and other places south. The money is made in the Yukon, but it's not spent here.

The local families who live in a small community don't gain anything by the pipeline, but they lose an awful lot if it goes through. It would be unlogical to expect the non-business owners in the communities to try and cope with what the cost of living will be if and when the pipeline goes through.

Why is it, when some major development comes up, that business people are always thought of first? It's just going to make them richer and more domineering over the entire community, and eventually will make them unjust to the little people. This is already beginning to happen in some of the communities.

I can't see how the Indian people of the communities are going to be able to keep up or even adapt to the new boom towns along the pipeline route, with the cost of living going sky high. The people who have regular income from a job or who are involved in some type of business could cope with the high costs because usually when the cost of living rises, the wages manage to correspond.

The Indian people who still depend on trapping and the land for survival will not be able to bring in enough furs from their traplines to correspond with the cost of living. And what if the animals are scared off during the construction of a pipeline? Will they return?

If a pipeline goes through, it will be the beginning of a chain of development in the Yukon. It will have to be that way. The business man will have to expand his business in order to accommodate the influx of workers coming into the Yukon. If other developments do not take place after the pipeline has been constructed and implemented then all the expanding of the businesses will have been for nothing.

What I'm saying is that if a pipeline is allowed, the present businesses will have to expand and once this expansion takes place, the benefits from the pipelinewill make these businesses more economically powerful. After the economical climax has been reached from the pipeline, a conglomerate of power businesses could force the implementation of other large development to accomodate these dollar needs.

Land claims must be settled before a pipeline is even thought of. At least then the Indian people will have a foot to stand on, a beginning. It will make them a lot stronger and their way of life won't be unwritten history.

The future generations will be able to look at themselves and feel proud and not be afraid to walk down the street in fear of being ridiculed. They will feel like they have a place on this earth after all.

In concluding my presentation, I would like to try and emphasize how much the land means to the Indian people of the North. I would like to quote Rene Lamothe, a Metis from Fort Simpson, from the book "The Dene Nation".

> "The life of the people and their knowledge that life as a people stems directly from the land. The land is seen as mother because she gives life, because she is the provider, the protector, the comforter. She is constant in a changing world, yet changing in regular cycles. She is a story teller, a listener, a traveller, yet she is still. And when she suffers, we all suffer with her. And very often, in many parts of the world, whether they believe us or not, many people suffer because they have abused their land. She is a teacher -- a teacher who punishes swiftly when we err, yet a benefactoress who blesses us abundently when we live with integrity, respect her and love the life she gives.
>
> We cannot stand on her with integrity and respect and claim to love the life she gives and allow her to be ravaged.

I don't want a pipeline ruining the land I love and I don't want the Yukon to be fille

with big cities like Outside. I want it just the way it is -- unique.

Thank you.

MR. CHAIRMAN: Thanks for coming forward and that very thoughtful statement, Ms Hansen.

Yes?

MS DOROTHY LEONARD: My name is Dorothy Leonard and I'm also a Yukon resident.

I'm against construction of a pipeline through the Yukon, no matter what the route you chose. I do not support / feeding the U.S.A. at her present rate of over-consumption. The course we would be supporting is bringing us rapidly closer to material, economic and social disaster. The people of U.S.A. must use their technologically sophisticated intelligence to adapt a lifestyle which is more in harmony with the natural laws under which we are subject on this earth.

I doubt the motives of those people who have a personal gain to make by supporting the goals of the petrol industry. How many patents for more energy efficient vehicles have been bought and shelved by the automotive manufacturers in favour of prolonging the use of gas consuming cars? Plastic or petrol product is used for more and more products and when it breaks is not repairable or recyclible, but must be thrown away and replaced with a new one.

I charge that those who want to push this pipeline have as their motives money and power and are willing to sacrifice the many in order to benefit the few, who are themselves. There is error in this line of thinking. You will hear amongst these people how important is money and what it will buy -- sex and material luxury. Money is important insofar as it symbolizes getting physical needs looked after, but once that is accomplished, the healthy individual looks to new areas of exploration to expand their experience and knowledge. The neurotic is driven by the need to make more and more and more money to satisfy an inner need for love and security, which money will never satisfy for very long. And people driven by this seem willing to sacrifice anything and anybody to attain their goal. A goal that won't live up to its promise, even when and if they get it.

Well, seeing that now, I can't support letting myself be sacrificed to an ill-fated experiment.

I support the native people and the Berger Inquiry findings and their insistance on settling land claims first. The pipeline is a step towards dominance of the land through occupation and hazardous use.

First, as to occupation, can't you hear it now. We have to stay and look after this pipeline, or, you can't do that hear because of the pipeline. Then look ahead again and see the results of the rapid growth in population brought on by the pipeline with newspaper ads down south attracting desperate, sometimes emotionally unstable opportunists by the thousands for a promise of high wages and the possibility of making money off the boom, be it land speculation, prostitution, and sister businesses. Then in order to take up the slack after the employment when the pipeline is gone, we'll be easy prey for other industrial development schemes to take up and destroy this land as has been the pattern down south. For instance, huge hydro-electric projects and one little Kaiser smelter is only the beginning of that vicious, polluting cycle.

Are we going to let the developers leave their garbage behind them and invite them up here to do the same to this beautiful land? Remember what happened when Henry Hudson conned the Indians into selling Manhattan Island for a trunk full of cheap gawdy jewellery? Well look at Manhattan now. I think no one who lives here, except irresponsible, unscrupulous, shallow-visioned Yukon merchants, or transient bachelors who are ready to take advantage of the quick buck offered wants this rapid growth and it's

accompanying crime rate increase, out of hand inflation of food, rents, property and power, and to strain on the government service departments and our tax dollar.

Second, as to the hazard of the pipeline, can you imagine the polluting river which would occur at a break before the flow gets turned off? A polluting river which spoils every water flow downstream of it for how far? And the earthquake dangers blithely passed off as a minor statistic, now all you need is one.

In addition a pipeline is single use with no lasting benefit to Yukoners after the initial employment boom accompanying it's building. If the choice had to be made wouldn't it be far more sensible to have a railroad, being a multi-purpose conveyor for all sorts of goods, not just gas or oil? This is a suggestion which would be a reasonable alternative to the U.S. threat to endangering our coast and oceans by transporting the product by super-tanker, if we don't knuckle under with this pipeline business.

This is an opportunity for concerned citizens, native and white, to stand together in protection of this country from unwholesome too rapid growth, destructive industrial development, and exploitation of our precious wilderness and natural resources to feed a greedily over-consumed nation like the U.S.A. Not only are we offered a pittance for the sacrifice, but the

sacrifice of the land isn't towards a good purpose; a better tomorrow or a healing of the woes and ills of earth. But towards a perpetuating course which leaves the disaster for us, and if not us, for our children.

What kinds of parents prepare an unviable future for their children?

Thank you.

MR. CHAIRMAN: Thank you Ms. Leonard for coming forward. Can I invite someone else now to -- yes, sir?

MR. BERRY: Mr. Chairman, members of the Board, ladies and gentlemen, my name is Pete Berrt.I'm president of the Yukon Trapper's Association.

The proposed Alaska Highway Pipeline will cross and go through approximately sixty trap lines. A lot of those trappers live off the land to a large extent, and a boom situation makes this very difficult because of a large influx of people which will disrupt the animal distributions.

There will be two types of distribution. There will be two types of disruption on the trap lines due to the pipeline. One will be the direct impact of construction, and the other will be long term effects.

Let's look at the direct impact of the pipeline construction first.

One. Areas of winter construction will be especially detrimental to the trappers. Trapping trails will be destroyed. Trapper productivity will be down due to disturbances to water sheds. For example, fluctuating water levels will destroy houses of aquatic fur animals.

Two. We feel that poaching by pipeline workers will be a problem. There will be only three game officials to police the entire length of the proposed pipeline in Yukon, which will be an impossible job. The pipeline workers will have rest time or days off during which a lot of trap lines will probably become damaged through the use of recreational vehicles, such as snowmobiles.

Now, let's look at the long term effects that a proposed pipeline will have. It is extremely important that the existing or natural water shed tables are maintained. Aquatic fur bearers are very susceptable to changes in water levels. These animals are a basis for fur production and trap line management. Also, animals may not return to areas if the water becomes polluted or if oil slicks are present.

Two. The pipeline will provide easy access to a lot of trap lines, which will become popular travelling for local people with recreational vehicles. The more people and traffic in these areas, the

less the fur production will be.

Three. There will probably be reduced fur production in the areas of the pump stations, due to the constant noise levels. Although, as has been demonstrated to me, this noise level is not excessively high, we feel that any constant noise will have an effect on the animal distributions.

In summarizing these points, we would like to say that if the pipeline parallels the Alaska Highway as closely as possible, and if the necessary precautions are taken to ensure that existing water sheds and water tables are not changed, and if steps are taken to prevent problems with wildlife, such as keeping camps clean to prevent problems with bears, then the impact of the proposed pipeline on trap lines will be kept to a minimum.

However, we feel very strongly the trappers should be compensated for any loss of revenue due to pipeline construction or operation

and that the negotiation of compensation for the individual trappers involved should be done through the Yukon Trappers Association. Thank you.

MR. CHAIRMAN: Thank you very much for that presentation. Would someone else like now -- yes?

JUDY GINGELL: Mr. Chairman, member of the commission, my name is Judy Gingell and I am the vice president of the Yukon Indian Women's Association. Jean Glieson has been travelling to the communities for the past five weeks as a representative of the Yukon Women's Association to speak to the women about the possibility of an Alaska Pipeline. There are many concerns and some of them were number one, Some of the Indian women still have not recovered from the impact of the Alaska Highway. Two, the native women were uprooted from their homes when they moved into communities to put their children into school and to be nearer stores Three, the health services for the native people in the communities leave much to be desired. Some of the people were very sick but some health nurse in the smaller communities did not see fit to attend to these people. Four, the alcohol problems at the present time are acute. Approximately ninety eight percent of the deaths of the Indian people are alcohol related. Five, it will be necessary to upgrade the education of our Indian people immediately. Our people need training to get jobs. Six, the native

people don't have any representatives in the government to justify planning a solution to our problems. It has been a constant fight for us to even have cultural programs in the Yukon school system. A good example of this is the recent Haynes Junction situation. Mr. Commissioner, we live in an unjust society. We have a lot of issues which must be rectified before we can go into any fast development.

If a pipeline should come through the Yukon at this time, our people will suffer damage that will be impossible to radify.

In closing, I would like to say that there should be no pipeline until our land claims are settled. These are the words of the Indian women. We are afraid of the changes to their lives that will come with a pipeline. The fears of the Indian women are legitimate. History has proven this. Our women are no different from the mothers and wives in any Canadian community. They want their children to have an equal chance to have their way in the world but not at the cost of their Indian heritage. The do not feel that a pipeline through the Yukon at this time will be in the advantage at all to the Indian people.

Thank you.

MR. CHAIRMAN: Thank you very much Ms. Gingell for that submission. To be next to make a statement or ask a question. Yes?

JANICE LIPLENS: My name is

Janice Liplens and I just -- I don't have anything prepared I just feel I wanted to say a few things. How I feel about the pipeline.

I wasn't born up here so I don't feel I can possibly feel as strong as a lot of people that have been born up here that have lived with this land that have fished in all the creeks and rivers and lakes and climbed the mountains around here, but I do feel that I spent a few summers up here and I spent a winter up here that I've developed a feeling for this land and I'm concerned about what the pipeline can do to it. I'm concerned about it getting into the wrong hands and I'd just like to stress that I feel it's important for this land claims to be settled before anything is done one the pipeline. I feel that I'd like to see the Indians control and manage property, what's going to happen with the land along the pipeline. I feel, it just makes so much sense to me for the people who live up here to manage what's going to happen. I don't want to see any businessmen men this pipeline because I know what money can do to a land. I feel the environment's very important.

I don't want the government to manage the land because there's too many businessmen in the government.

I just hope that the land claims can be settled before anything is done on the pipeline and I hope that the Indians, if they do get control of the land along the pipeline. I hope they can manage it wisely. Oil

and gas are exhaustable, they don't last forever. But the damage that the development that's there -- once it happens it's there and I'd like to see the Yukon remain the way it is thought I don't feel it is. I already sense a lot of changes coming up here. I sense so many people I've met are for the pipeline but they're not concerned about the environment. They're seeing it all through money and I've seen what money can do in the south. I just feel that the environment's important. We need it to survive on. And we need the fresh water and we need the fresh air and we need the nature around us. I don't want to see too much materialistic things happening up here. There's enough of that in the south.

That's all I wanted to say.

MR. CHAIRMAN: Thank you very much Ms. Liplens. Yes sir?

LARRY BARRETT: Mr. Commissioner and members of the Board. My name is Larry Barrett. The reason I'm speaking again is that I've travelled all over the Yukon speaking to people of all nationalities. I've talked with a lot more people than you have seen at these meetings and I would like to tell you what the nature of response was with these people. It was, why should we go to these meetings. The government will do what they want anyway for they don't care about us individuals. It's just what the businessmen want that they're concerned with.

Now, Mr. Lysyk with these people in mind I would appreciate an honest answer of yes or no so I can let these people know if the government cares about the individual. If the answer is yes, can you get us more time to inform them and get them to speak at the Inquiry? I know that the majority are against having it rushed in this fast.

Now, I was reading a book, the Edmonton Journal, a person named Walter Stewart writing for the January 29th edition, '77, did a survey of the Americans to see what they felt towards [illegible] the discussions is open to uninhibited comment. There are pockets of entrenched ill feelings toward Canada. The ignorance appalled me. The occassional hostility astonished me. I do not accept responsibility for trying to depict -- or, I'm sorry, I do accept responsibility for trying to depict fairly and accurately the complex range of American views about Canada.

Some of the comments made by Americans were, I think if we need it and they won't give it to us we should just take it. Another one was, as far as I'm concerned it's just a nation of assholes. The third one was, nice people, very nice, not bright, but nice. The sixth, I used to be all in favour of Canada, some of my best friends and all that.

But that was up until they elected that 'Commie', Prime Minister Trudeau is his name. A 'Commie', every body knows it. A fellow from out West, he got up in the Congress and said it right out that the Prime Minister of Canada was a 'Commie'. Well I naturally expected that to be the end of Mr. Trudeau. No such thing. If they didn't go and put him right back in the next time.

All I can say is that was the end of Canada as far as I'm concerned and I don't care who knows it.

The fifth one was, the Canadian male is a chauvanist pig, about ten years behind here. Now I just picked out the better ones to give you an idea of what I am saying.

How do they think that we can listen to them saying things like this about us and then they expect us to turn around while they lay a pipeline across our door step? I have read where Clive Tanner said he lived here for nine years and that the population should double. I have been here for thirty-two years and I say why the hell should we double the population, all that does is bring more people in from Outside to take away the few jobs that we have here already. We'll still be as bad off as we always were.

A good example is Faro. Everyone says three cheers for Faro, it brought jobs for Yukoners.

Well how many Yukoners that were here when they discovered the mine are now working on it? Hardly any. Most of them are all brought in from down south. Well I say to hell with that B.S., it's about time we tried to help the Yukoners that are here now, not the ones we bring in and call Yukoners.

Another example is our afternoon and evening rush hours. Double that and you wouldn't get back to work after lunch. Also I have read where Flo Whyard and Clive Tanner said the Yukon needs something more than mines to rely on. I agree, but only to a certain extent because they thing that something else needed is a pipeline. Well I believe that they should think about things like a railroad or something that would last for our lifetime and probably our childrens, for there would be more work around for Yukoners than are here now.

A person named Tony Fekete who has stated that he has lived here for years -- just how many I would like to know, says the taxpayers who built this country are for the pipeline. Well I wish that he would realize that the taxpayer like myself who has been paying taxes for the last seventeen years in the Yukon, don't want to pay off a hundred and twenty billion dollar debt that Canada owes. We love Canada very much, but it's about time we started thinking of ourselves and our children a little more. Our children may decide to raise their

families here also.

Mr. Fekete goes on to say that Indians should be for the pipeline because of the jobs, so they won't be a drain to the country. I would like you to know that when I was kid my family went hungry quite a few times. This was not because we were poor, but because some of the people who came up here were starving so we fed them and we let them either stay with us or loan them a tent until they got on their feet. It wasn't only our family that did that. I'm sorry to say that some of these people we helped are just like everyone else today. They seem to have forgotten the people who helped them.

As for a lot of businessmen up here, they never would have survived if it wasn't for the Indians. You won't hear them admit it now. It seems most of these people called Indians today, or called the Indians down today, when all the Indian wants is to be land owners and proud people again, like before the white man came. Believe me, they were proud people. They even fought wars with other Indians to save their land, but when the white man came, they put away their weapons because they thought he wanted to help them. And look what they got now?

Now Mr. Burrell wants us to have trust again so some white people from Alberta can get rich and bring more white people to work here so they can also call us down. Well, I say to hell with that, and if you

want to help us, give us time to settle land claims.

While I am on the subject of Mr. Burrell, maybe he would answer a few questions that he answered previously, but some people didn't get the meaning that I got.

Number One. What kind of people will be hired by Foothills? Will they be contractors or just people looking for work?

Number Two. Will they be union contractors or both?

Number Three. Will they hire a small contractor also?

Number Four. What is the idea of the good lasting effects of the pipeline, or what is his idea.

In ending, Mr. Lysyk, I want you to know that I am scared of what will happen to the people because of the pipeline. Also I love my wife and my two daughters more than my life and if any one of them gets hurt because of the pipeline, I swear to God that I will pay the person or persons back twice as bad.

Thank you.

MR. CHAIRMAN: Thank you Mr. Barrett. There were four questions there Mr. Burrell, if you would like to give those answers now please?

MR. BURRELL: The first question

is is what kind of people would we hire? Do you mean will they be -- do you mean contractors or what do you mean by that?

MR. BARRETT: What about the ordinary people , have you got a job for them?

MR. BURRELL: Okay, well let me say first of all that our position is that Yukoners will be given preferential treatment -- hiring. We intend to see that a manpower delivery system is set up to make it as easy as possible for the Yukon people to take the job opportunities that are available on the pipeline. We have estimated that somewhere in the neighbourhood -- well the peak manpower required in the year 1980 I believe, is 2300. We say that about, oh, twelve to thirteen hundred of those could be filled by people without having previous pipeline experience, and those would be available to Yukoners. Now how many take those jobs of course would be up to the people themselves. There would be -- we feel that that number of opportunities are available.

Is that okay for that one?

MR. BARRETT: If I went and asked you for a job would I be able to get a job through you, or do I have to go to a contractor?

MR. BURRELL: You would have to -- on construction would have to work -- you would

probably work for a contractor. But, as I was saying, you would -- there would be a special system set up in the Yukon which would make it easy for the Yukoners to get the jobs, because we are saying that preferential hiring treatment will be given to Yukoners.

MR. BARRETT: Yes, the second one was will they be union contractors or both?

MR. BURRELL: During the construction of the pipeline, we believe that the work will be done by union contractors. The operating and maintenance phase will not be unionized.

MR. BARRETT: Now, will they hire small contractors besides the union contractors?

MR. BURRELL: Yes.

MR. BARRETT: Say for somebody who's got maybe one cat and a dump truck or --

MR. BURRELL: Yes, we certainly intend that local business people - local contractors would have every opportunity to obtain work on the pipeline.

MR. BARRETT: May I ask what is your idea about good lasting effects of the pipeline?

MR. BURRELL: Well, there is the employment opportunities of course. There is the gas supply to communities along the highway; there is the business opportunities which, we believe, the project will offer, not only in the construction phase, but in the operation and maintenance phase.

There will be taxes made available to the government. We estimate that there will be approximately five million dollars a year. There are other benefits I could go into if you wish.

MR. BARRETT: Would those taxes be coming to the Yukon or to Ottawa?

MR. BURRELL: The municipal taxes would be going to the Yukon. We estimate that there would be about five million dollars would be going to the

Yukon.

MR. BARRETT: And that's every year?

MR. BURRELL: Yes. I suppose -- I can't answer that. The numbers that I've been working on really are numbers that are payable to Yukon. I suppose the income tax payments would go to the Federal Government and then of course, there is a pay-back to the Yukon. I can't tell you what funds would flow to the Federal Government, but the number that I am familiar with is the five million that does go to the municipal taxes to the Government of the Yukon.

MR. WEBBER: You said you'd be hiring Yukoners. Could you define Yukoners?

MR. BURRELL: Well, that's been a question that's raised -- been raised many times at these hearings and we say that it's an important definition because it will mean who will get the special treatment with regard to hiring. We have said that we believe that something that the Government of Yukon or perhaps this Inquiry might bring forward as a definition. We've taken that approach.

MR. WEBBER: Well you use the term quite loosely.

MR. BURRELL: Not really, because I think that the term Yukoner is a very important

term and it's a term that has to be very carefully defined. There has been a number of definitions suggested, but really is something I think that has to be brought down and universally accepted so that everybody understands what the definition is. The policies in our particular case can go forward and make -- give the best advantage to Yukoners.

MR. BARRETT: What are the chances of calling in say native organizations, getting together along with the Territorial Government and defining a Yukoner?

MR. BURRELL: I think if we had a good universal description, I think that would be great - I think it would be good for everybody.

MR. CHAIRMAN: Just to keep the record straight, I'll ask you if I can, to go to the microphone, Mr. Joe. The last question was from Mr. Barrett and the two previous questions from Mr. Webber - Mr. Bill Webber. Mr. Joe, do you mind stepping to the -- or sitting over there at the table at the other microphon

MR. JOE JACK: I wanted to know if Foothills Pipe Lines have a policy on Indian claims in the Yukon Territory?

MR. BURRELL: Well, we think that certainly the settlement of the land claims is a matter between the government and the native people.

They're the two parties that are involved in the discussion and we think that rightfully, they should be the groups that are settling this matter.

MR. JOE JACK: Thank you.

MR. CHAIRMAN: I think Mr. Jack has a question again if I could -- yes.

MR. JOE JACK: Since Foothills is the one that will cause the impact of the Yukon right now, is Foothills ready to lobby for the Indian people in the Yukon with their land claims?

MR. BURRELL: Well, we certainly take the position that the native people and the settlement of their land claims should be properly satisfied and there should be a fair settlement take place. Here again, I have to say that it's a matter between the government and the people and that's the position the company has taken. We're not a party to the negotiations, but we -- but really, that's the position that we've taken. We're not a party to the negotiations and that's the position that we have taken.

We certainly have said on many occasions, that it should be a fair and just settlement.

MR. JOE JACK: From your travels with the Inquiry throughout the Yukon, do you think or do you feel that Indian people in the Yukon are ready for a pipeline at this point, let's say socially and

culturally?

MR. BURRELL: I think that's a difficult question. Certainly a number of people have expressed that they are -- I think the native people have said, that certainly taken a position that they want to have the land claims settled and implemented before the pipeline goes forward. So that's the position that they have taken. I'm not familiar with exactly where the land claims issue is and I think different people take different opinions really.

MR. JOE JACK: Now that the National Energy Board has recommended sort of like the pipeline route to go through the Yukon and let's say that -- let's just say that Carter or Trudeau both follow suit and Trudeau loses his head somehow and overlooks the land claims question. Is Foothills prepared to go to negotiating tables with the CYI and settle the passage throughout the Yukon?

MR. BURRELL: Well, we certainly said that if at the time the pipeline approvals are given and that the land claim issue hasn't been fully resolved, that we would hope through negotiation, that a way could be found in which the pipeline could go forward, in particularly in those areas that would affect the pipeline. So we would hope that, as I was saying, that through negotiation, these matters could be resolved to allow the pipeline to go forward.

MRS. LENARI: My name is Mrs. Lenari and I have a question for you here. Okay, you just said that you hope that a way would be found if land claims weren't settled. It was suggested by the Whitehorse Chamber of Commerce this week that expropriation be used as a method. What do you think about this?

Mr. J. BURRELL: Difficult when that's -- I know that method is always open, it's used in the south, but I would like to think that that wouldn't be what we would call negotiation. That was a method that was put forward by that particular group and that was their position on it, really. It's a difficult question, really.

MR. CHAIRMAN: Do you get a change to sit down? I guess he does. Okay, thank you.

Someone like to come forward? Yes, sir.

MR. PETER CARR: I'll damage your audio visual equipment irrepairably. My name is Peter Carr and I appeared before you previously and I'm not going to take up very much of your time -- Mrs. Allison Reid beside me.

We came here tonight in a way to thank you for your devotion to the Yukoners and for putting so much time and effort into your hearings. My remarks will be very brief.

Now that we've had the rug

pulled out from our respective positions by the National Energy Board's decision earlier this week, it seems time for us all to make new decisions and come to grips with this latest policy. I, for one, do not for an instance doubt, that despite the National Energy Board label, this policy, this scheme is, in fact, right from the Government and I would remind everyone about Mr. Gillespie's flying opinion and suggest that it's come home to roost.

I imagine the announcement of a dramatically new route took your panel by surprise. It certainly took me by surprise and we maintained all along that the original Foothills scheme was not adequate and that the Government energy czars pulled this latest scheme out of their hat, the Dempster Lateral, the Top of the World highway, the Klondike route, simply to throw a red herring at Yukoners once again to do the old fast shuffle so we think we have one position down, we've all made up our minds about this is the policy we stand on and all of a sudden the rules of the game have changed. I know your mandate has not changed. They expect you to come in with a report addressed to the original Foothills route, but I suggest that this National Energy Board statement is, in fact, Government policy. So you'll be addressing yourself to something that is, in fact, changed.

A new mandate is what I'm suggesting at this point. I hope that your panel will go

back to the Government with their opinion on this Foothills proposal and seek a new mandate, a new lease on life for your panel to investigate this National Energy Board, this latest Government policy. I'm going to stop calling it the National Energy Board and call it the Liberal Government policy for pipelines. I suggest that you go back and seek a new mandate. Yukoners trust you now, I think. Yukoners are willing to open up to you and I hope that you'll go back and seek this new mandate and say that we do need more time, we want to talk more about this -- especially the Dempster and the question of native rights and the caribou-- all of this has to be settled.

Again, to thank you for your devotion, your obvious devotion to this commitment. Aileen has a number of T-shirts. They're sort of the flag of a certain segment of this community -- the small capitalist -- the small "c" capitalists who would like organized and responsible development, not billion dollar projects, instant billion dollar projects. We'd like to present these shirts, in two colours, they're free of charge to you. To the Foothills people, there'll be a very small charge, but which will... I'll try to inform the Foothills people the price of the T-shirts, after they take them.

Thank you very much.

MR. CHAIRMAN: Thank you for the very, very kind words, the new wearing apparel. We'll

We'll wait to see how many BTU's Foothills has to pay, but, while I'm getting dressed, somebody else might like to come to one of the microphones.

Okay, thanks again for my colleagues and myself. Yes?

MS MARY JANE JIM: Mr. Chairman, I would like to introduce myself. My name is Mary Jane Jim. This is my son, Colin Jason. We are both residents of the Yukon and wish to remain so.

First of all I'd like to give you a little history of my background. From the time I was born until the time of age seven I followed my father around in the bush, learned how to live the way he lived and I'm only sorry to say that I cannot do this for my son today because I was taken away from this society to go to school and I do not know the remaining factors of how to live in the bush.

Here is my presentation.

There is no way in my mind to express the hurt I feel within my self when I turn the radio on. It's whites against Indians and Indians against whites. Each feeling his own little piece is worthwhile and because it is now our nature to fight for what we want. You must have heard us speak similiar to this a million times, but it never sinks in until the crucial moment arrives. I myself have heard it and now I believe

it and will repeat it to you.

It is inevitable that man will destroy himself by destroying his natural surroundings. We all know that. We also know that in order for us to survive we need food, food which comes from this land and the water and air which also comes from this land. The next time you go into a large city, have a good look around you. Is it comforting, is it gratifying to walk on concrete and see only mechanical moving objects? Take a deep breath. Is this the fresh air that our lungs are craving for? To get your food you take a cab or walk to the nearest store to buy boxes and cans of food -- hardly fresh, if they are you pay a dear price for them.

We are turning into a mechanical society and very few people in the cities have back yards where they can get fresh food, be it meat or vegetables. We still have it, but for how long?

I'm not saying that all this will happen to us overnight, but it is happening sooner than I thought. What will happen when there are no more back yards? Will we be able to eat our dollars and cents? Will it provide our oxygen and water? Is that only as far as we can see; dollars and cents? What fools we are that we let a non-living thing -- money, rule our existence. But then, even I have been caught up in that code of living.

After making their fortunes, people inevitably will leave the North to vacation elsewhere. Why? Because their businesses drove them crazy. But when they run out of money, they come back and repeat themselves, it is a vicious cycle. Take a good look around you. Look at the old people of the Yukon, white and Indian. Very few of them are in homes for the aged. Why? Because they have learned to live off the land and love and respect it. It is the father that keeps them in line and the mother that feeds them from her breast. Now they can only hope that their children, and their children's children will learn to love and respect it as much.

If you kick a strange dog for barking at your heel, he either bites back or runs with his tail between his legs. What will we do now that we have been kicked with the impact of the industrial world? It is definitely a kick in the teeth. Are we strong enough to bite back? We can't turn away. Is there nowhere to go?

Many of us do not know how to say to another man 'you there, you are destroying your life.' Why? Because this man will turn around and tell us to mind our own business. This time it is our business. It is the lives of our children at stake. When I say children, I mean all children, white and Indian. We are put on this land to share, not to hoard for individual gain, but for the survival of all living beings.

What law of nature gave us the right to act as tyrants? We have become self-appointed dictators of the fate of other species. Who are we to decide whether or not another species shall survive? How can we even begin to pride ourselves as being superior beings, gifted with the highest mentality when we don't have the mentality to see that when we destroy the land, contaminate the waters and pollute the air, we are destroying the very environment we ourselves must have to exist.

We try, each and every one of us, to live as long as we can individually -- anything to live longer and prosper. Anything seems to be all that will eventually destroy us quicker as a race. We cannot continue ignoring the balance of nature for individual convenience, comfort and wealth today. If we do, we will only be dictating a premature end for all human time. Look at the rate at which we are already developing in North America. The North is the only real frontier left.

When will we see the damage we are doing? When is it too late? We can still save some of it now, but will we wait until there is no turning back?

Some people may think that without development, the Yukon will not have much to offer, but the Yukon and the North holds the world's most precious resource -- natural wilderness regions. The heritage of all living beings still intact. Let the money seekers go elsewhere and allow the land to remain as it is for today for our children tomorrow. You may say to me who are you that you can say that you don't enjoy these same pleasures of convenience. But I will say yes, I am one who enjoys these pleasures, but I will gladly do without for the sake of my children's future.

One of my grandmother's near

her ninetieth birthday, and the other in her hundreds, and neither one has driven a car or owned an oil stove. They still have the choice open to them to decide whether or not they want to live in a natural environment or in a mechanical society. I wish to be as old as them and still have the same choice. This is my own selfish attitude and until someone can give me a better reason than dollars and cents for this pipeline going through I will remain against it.

Thank you.

MR. CHAIRMAN: Thank you very much Ms. Jim for that very kind statement.

Would you like to come up to the microphone sir and make a statement. I would just ask you to give your name and we'd be pleased to hear from you.

MR. SCURVY SHORTY: Scurvy Shorty is my name, I'm a former chief and I would like to say that Mary Jane said that -- she said it very, very good for our people you know. My, in a way this, like for the land claims, and I am disagreeing with. What is going to happen to us is going to be free taxes, they aren't going to pay taxes later on. We'll get into a land claims deal. I don't know how many years. I'll be dead by that time, but still that's what is going to happen. This pipeline, I don't know, I don't know about that.

Like I said, if you give the local people a job here, could be, good thing, hey, I agree with that.

This is my opinion, okay?

MR. CHAIRMAN: Thank you very much, sir, for coming forward.

I'm going to be suggesting a coffee break in a few minutes, but time for at least one or two more statements before I do that. Is anyone else ready? Yes, sir?

MR. RAIMONSVILLE: My name is Tony Raimonsville. I have listened to a lot of together things here tonight. It's given me quite a bit of incentive. I didn't quite know what I was going to say when I came up here. Most of the people here have expressed my feelings exactly.

We can't expect incredible social impact here in the Yukon and less to what other people have to say. There are many people who work down south. Last year from Ontario alone a hundred thousand people infiltrated into Alberta to seek jobs and I don't see the situation changing for the near future as for the pipeline in the Yukon.

As I said, most of the people have expressed my feelings, but to answer a question to the young lady, I think that we are strong enough to stand up and fight rather than take it lying down. I think that we not only should ask for another Inquiry I think we should demand it. I don't feel that anybody from down south has a right to come in and tell us what we should have or want. There's going to be incredible problems with the Indian bands, they've expressed their opinion. They also choose the direction, the direction of an Inquiry that will allow them to have time to plan and to make a better life for their children and their grandchildren to come. I think we too have the same opportunity. Many of us have forgotten what we have come up from down south for. There's a lot of uniqueness in the Yukon, something that's probably most important, an identity. Something many people have lost down south. We too, also felt that. I feel our future, I believe is in the hands of the decision-makers for the pipeline and I feel we should be the decision-makers.

Thank you.

MR. CHAIRMAN: Thank you very much Mr. Raimonsville for that statement. Next?

LINDA JOHNSON: My name is Linda Johnson and I live in the Yukon Territory. And I would just like to thank Mary-Jane Jim for all the things that she said so very well. I'm feeling flabbergasted I guess, by the announcement on Monday by

the National Energy Board. I find it really shocking and depressing and unbelievable to me that those people could issue a statement as they did. Before your commission is finished, before the other Inquiries here in the Yukon are finished. I find it just heartless that they describe the Yukon as a place where it's more tolerable to have social disruption than in the MacKenzie Valley. It's intolerable just what they said but it's made worse by the fact that they really don't know. It's made worst by the fact that there was so little time devoted to their decision, their statements. I want to top off all of those other things then it's a completely brand new route by saying the most tolerable of the tolerable of the tolerable without any evidence.

All that's been very strange The other question I would have for you is, where does that leave you standing? Where does it put your Inquiry? And that's something I would like to hear you describe tonight. But going back to time, the thing we keep hearing is that time is of the essence that the south needs these resources and quickly and it seems to me that time is of the essence here in the Yukon too only it's in the reverse order. And we need more time, and all the people in the Yukon need more time. I think first and foremost we need time for land claims to be settled and implemented in whatever way that the Indian people decide and can negotiate with the federal government. And I think that it's time that we

work out some kind of a viable responsible government here in the Yukon after land claims. I think it's time for freedom for all the Yukon people. It's time to quite being a colony or whatever you can call this status that we have within Canada as it presently is. It's time to remove us from all of that. And then of course, there has to be time to examine the environment in full and I don't think ninety days or before the first of August is that time at all. It's not enough time for any of these things and I mean time before a decision is taken not time afterwards, after the decision has been made. Then you can think about it and make your plans and so forth and try to get around it the best you can you people who live here in the Yukon. It's time before a decision is made that we need.

I feel happy that the people in the MacKenzie Valley had the time, or had some time anyway and somehow I think that they have influenced decisions. I think it's wonderful for them but not if it means that the Yukon is to be the garbage dump for everything else. And I think that's what's happening and I really distressed by it.

I think that time is of the essence because the people in the south may not be able to wait but I think that this is only a temporary thing so they get the resources from here as everyone else has said they have to go on to more later so it's time for them to find some

other ways of living with themselves. Most of us in the Yukon will stay here we have to live forever with what's left over so it's for all time here. I think it's in the Canadian interest, since that's such a popular phrase these days, I think it's in the Canadian interest that justice and fair practice be really applied in the Yukon and not just seem to apply through a ninety day hearing.

I hope that you'll convey that message above all to Ottawa. That it's not time to make a decision and especially it's not time in the Yukon right now.

Thank you.

MR. CHAIRMAN: Thank you Ms. Johnson. You asked a question about -- please sit in, I'll take a moment, about where this Inquiry is left in light of the NEB decision. There are just two or three observations I would make about that to attempt to respond to your question. First of all the decision maker is the government not the NEB. The government has the Burger report, it has the National Energy Board Report now. It will have our report and it will have environmental assessment review panel. But it is the government who remains the decision-making body.

That leads to the second thing, the question of timing and I think really this came through in your statement. The critical thing about the preliminary report it seems to us, is that it be available prior to the critical decision being made, the so-called decision in principle by the government.

If our timetable were lengthened without the timing for the decision in principle being changed, then we would no longer be delivering a preliminary report in the sense of something that's available to the government in the course of making its decision. We'd be delivering something that is sort of an epilogue to a decision already made. But as I say, I think that came through in your statement. We can't divorce our timetable or our task from the time that the government proposes to go through the decision-making process.

Now, whether or not the government should be changing the time, the timetable of its decision-making process, is something the government, you know, should perhaps be prepared to respond to. We are not spokesmen for the government and we're not able to do that. We have your point.

MS. JOHNSON: But I think you can say to the government, what -- how unbalanced all of this is. The whole thing is so very silly, it's so very unbalanced. We have very long Inquiries in the

Northwest Territories. We have the N.E.B. making their report now. Then we have this little miniscule Inquiry here in the Yukon with some report coming in at the last moment. It seems to me that a very big part of your job is going to be to convey the lack of balance in all of those things.

MR. CHAIRMAN: It's quite possible that this Inquiry in its report, will have something to say to the government about the decision-making process on the northern pipelines question.

The remaining thing that I wanted to include in my attempt to respond to your question is with respect to other routes. As you may know, the point was raised, I think at the very first day of our hearings back in the first part of May, as to whether or not we would entertain submissions about other possible routes. We said at that time that we're prepared to do that and we have been doing that. We have been getting some submissions as we moved around the Yukon, with respect to other possible routes.

We've heard something about Dempster Lateral, not as an alternate route, but as something that might happen in the future. We've heard something about the Tintina Trench. Interestingly enough, I don't think we've had any suggestions of the Klondike Highway to be such a route, but in any event,

my point was that at least we have been prepared to receive thoughts that people wish to express about other possible routes. That's not trying to step aside from your point that people now have a slighly different perspective quite possibly, in light of the N.E.B. recommendations.

All right, if I may, we'll listen to this one more witness and then we'll take our coffee break. Could I ask you please to let us have your name?

MS. ADAMSON: My name is Gloria Adamson. I'm from Lake LaBerge. I'd just like to bring forth a couple of concerns.

One of the major concerns as a result of the pipeline is inflation. When the cost of living starts to rise, who do you think will be able to afford these costs? It certainly won't be the Indians. If the pipeline goes through, there is a risk of disturbing the natural balance of wildlife in the territory.

We Indians will realize the need to retreat to the old ways of life. For instance, trapping and living off the game, but we'll find that there will be nothing to go back to. Now is the time to give this some serious thought. Another thing I would like to point out is the trapline situation.

If in any case, the proposed

pipeline should go through, it won't be going around, but will be destroying those traplines directly in its path. Other things that will be disturbed is the beaver ponds, fishing spots and natural salt licks used by the game. Timber and trapping cabins will have to be removed from the path of the pipeline. How are we to be compensated for these important losses? I would like these things to be considered.

I know that a lot of Yukoners are all for the pipeline because it may mean jobs for them in the near future, but what will it mean to our children in the future, other than just a lot of wasted land? To think that we are 'together today for our children tomorrow'. With that, I ask some of you to reconsider your decisions. Thank you.

MR. CHAIRMAN: Thank you very much Ms. Adamson. I'm going to suggest now that we take about fifteen minutes for a coffee break.

(PROCEEDINGS ADJOURNED).

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. CHAIRMAN: Ladies and gentlemen, I wonder if we can get under way again please?

MR. PHELPS: Before we begin, I just thought I would say that I'm not really scab labour I traded in my T-shirt on a larger size.

MR. CHAIRMAN: I think, is this microphone operational?

MR. SMITH: Thank you very much. Hello Edie and members of the Commission. I am Mike Smith, member of the Whitehorse Indian Band and for the record my band number is 162.

By way of introduction, I would like to state that the land you call the Yukon is my homeland and development such as the building of the pipeline will affect the land, the people and the future of all who call Yukon their home.

I submit that the main issue is not whether or not you are going to build a pipeline; but when you are going to build it. To me this is the main question your Inquiry will have to review and to answer. The other issues of whether or not to build a pipeline at all or which route it is going to take are secondary to this main issue of timing.

I would like to go on record as being one hundred per cent opposed to the building of any

pipeline through the Yukon for at least twenty years. I think the native people of this Territory need this time because we will have to double our population if we are going to survive the impact of this project.

Further, we need time to recover as a people to benefit from our land claims and to be in a better position to participate and benefit from development. At this time, the pipeline benefits are false promises. You have heard in your travels to our communities that Indian people have not prospered well from past development and are presently in no position to benefit from this pipeline for the same reasons.

We do not have the skill nor the desire to participate in this project. To take part in this project which means -- which will hurt our people and our land is contrary to our interests. The opportunity for employment on the whole are restricted to the menial labour-orientated jobs, the benefits for which are limited and short lived. We are as opposed to the prevailing view of the white people though that the big jobs, the contracts, the spin-off benefits, because of the magnitude of this project and the attempt to minimize impact will go to the Outsiders, the non-residents.

I would like to make a brief comment on your Inquiry, whose job it is to make some assessment of the social and economic implications of the

Alaska Highway pipeline proposal. First of all I express my complete dissatisfaction on how your government has handled the pipeline issue, especially in regards to the Alaska Highway route. In our submission to the Berger Inquiry, we were on record requesting a full hearing into the Alaska Highway route. However, due to his time schedule and the terms of reference set by your government Mr. Justice Berger was not able to hold complete hearings on the Alcan route.

Further, the last minute decision to hold hearings on the Alaska Highway route got the lack of proper research, the lack of time for preparation for proper hearing will determine no doubt the weight of your recommendations to the government. Because of these factors - no fault of your own - it is my view that your Inquiry is inadequate, even as a preliminary inquiry. You seem to be pre-occupied with the impact of a section of a gas pipeline - the Yukon section. But not with the total effect of the whole project on the Yukon.

It is my view that the whole project, including the construction of a pipeline into Alaska and in British Columbia will have impact on the Yukon. You have taken this project out of its context. Therefore, the evidence, the facts and figures you are using are not complete. With all due respect, I submit that

your recommendations based on this, can only be misleading and false.

The final point I would like to make is on the recent ruling of the National Energy Board. That decision has been accepted by the pro-pipeline people as being conclusive of the pipeline issue. However, this is not the final word on the pipeline. Since the decision has been handed down by the Board, I am certain that the lawyers, even for Arctic Gas group, are now reviewing the report with the view to challenging it's validity in the courts. Also, lawyers representing views similar to our own are now reviewing that report to find possible grounds for challenging that decision.

Further, the Government of Canada has yet to make a decision and even if they do, it is still not the final word on whether a pipeline will go through Canada. It is my view that the Government of the United States has the final word on whether a pipeline, transporting U.S. gas, will go through Canada. The public should realize that the American Government recognizes aboriginal rights of the native people. We have already put the U.S. Government on notice that we have not settled our rights in the Yukon and of our position to oppose any pipeline construction prior to a just settlement and implementation of our land claims. The fact of our aboriginal rights is sufficient cause for

the U.S. Government to pick an alternate -- the alternate route to a gas pipeline going through Canada. The fight is not over and it is becoming increasingly clear that this project will require the co-operation of the native people. The question is no longer how our land claims will be affected by your pipeline, but how your pipeline will be affected by our land claims. We will not allow you to ignore our rights and our interests in this land.

Thank you very much.

MR. CHAIRMAN: I might just mention that while it's true our hearings have been limited to the Yukon and our terms of reference so provide, not entirely right to say that we have no information concerning the whole system. We have had something in the way of submissions made to us. For example, the -- in terms of employment in the labour market, the fact that there would be large construction crews at work a t the same time in British Columbia, Saskatchewan, Alberta and Alaska for that matter. So we have had some information, some submissions that relate to the system as a whole in addition to that part in the Yukon.

All right. Can I ask if someone else would like to -- yes, sir?

MR. ISAAC: Mr. Chairman,

members of the Inquiry Board and ladies and gentlemen. Gee-[illegible] Dene-sho a Noglet na ba-da-ih. The people are always keeping a look out. For this reason alone, it is my pleasure and duty to address your Inquiry Board concerning aspects of your terms of reference.

First, let me introduce myself. My name is Gerald Isaac, Vice-President of the Yukon Native Brotherhood, and hereditary chief of the Klondike Indians. After much thought and consideration I find myself forced to address your Inquiry despite the fact that my people have rejected the notion of a short-term limited investigation into the impact of the proposed Yukon natural gas pipeline route.

I recognize that your tasks are most difficult and I appreciate that you are lending us your ears in an attempt to gain as much information as possible about the views, needs, and fears of Indian people.

The first aspect of the Inquiry's terms of reference which I would like to address is the issue of Yukon Indian claims. Specifically, I want to talk about the following question which your panel posed. What steps if any, could be taken beyond an approval in principal of the Alcan route without prejudicing implementation of a just Yukon Indian claims settlement and within what time frame?

To answer this question, I can see without a doubt, that any actions beyond an approval in principle would seriously harm our efforts to obtain and implement a just claims settlement. Let me explain my reasons for taking such a strong position. Beginning in the late 1960's, the Indian people of the Yukon, both status and non-status, began to recognize that the existing government corporate system of development was providing little direct benefit to them.

The Indian people took part in the Klondike Gold Rush, the construction of the Alaska Highway and in very small ways, we have been involved in the various hardrock mining projects, the expansion of the tourist industry and the growth of the Territorial Government system. In all of these cases, however, the negative social, economic and cultural impacts to our people have far outweighed the temporary small monetary gains made by a few individuals.

Each of these projects is an excellent example of what happens when people brought from outside the territory planned developments for us and our lands. I believe, and my people believe, that any major resource development project which goes beyond the agreement in principle stage, cannot be prevented from having the same adverse impacts on our lives and our culture.

A gas pipeline certainly fits into this category of major development projects. We are not content to just merely prevent projects from having major impacts on our people by stopping them or delaying them. Our claims are the basis for a concept of self-development. We want to have the time, the opportunity and the resources - land, money and organizations to develop ourselves and ways which are compatible to our values and our culture.

We feel this is a basic right of all Canadian people. We want to have this right recognized for the Indian people of the Yukon. This is why I must say that anything beyond an agreement in principle on a pipeline route is unacceptable. We cannot tolerate having our right to develop ourselves, taken from us by a project which offers us so little benefit in return.

The second point I wish to address is the Inquiry's interest in planning and regulatory

body. Specifically, you have indicated an interest in looking into the introduction of appropriate mechanisms for planning and regulation aimed at minimizing undesirable social and economic impacts. From this area of interest, two major questions seem to arise.

One, how should planning bodies be structured, and two, how should such planning bodies operate? While there are certainly no single answers to these questions, the Indian people of the Yukon have thought about the ways of planning and the need for planning for many years. In particular, our interests have been to provide a planning process which will allow us to develop ourselves, socially, economically and culturally.

We believe that the planning process we have established, if it is allowed to take root in the communities and grow at a pace that the people set, it will be a major asset to us as we move toward self-development. I would like to submit to the Inquiry, a written brief which outlines the technical and theoretical aspects of our planning process.

Instead of reading the submitted brief, I want to outline in more general terms, what our planning process involves.

In September of this past year, 1976, the Yukon Association of Non-Status Indians, the

Council for Yukon Indians, the Yukon Indian Women's Association and the Yukon Native Brotherhood set up an Indian controlled and directed planning organization in January of this year, 1977. This planning body became an incorporated society known as "Yukon Indian Futures Planning".

Regarding the structure and operation of planning bodies, the major questions I identified earlier, I feel that all planning groups should be established along the lines of our future planning group. In establishing future planning the Yukon Indian Organizations, directed the group to assist Yukon Indian people in achieving self-development.

The objectives of Futures Planning are the objectives of the Indian people. At the local level, the planning staff is working with each community as it evaluates its development potentials and chooses which path it will follow. At the regional level, the Futures Planning is assisting Yukon Association of Non-Status Indians, the Council for Yukon Indians, the Yukon Indian Womens Association and the Yukon Native Brotherhood in co-ordinating the development objectives o the communities and in formulating policies and programs to meet the needs of Indian people.

Only by firmly establishing planning as an integral and continuing part of the self-

development process, can the Indian people obtain a firm grip on their future. Even for people who believe that planning can assist them, as Indian people do, and directly benefit them, time is required for the planning process to become well established at the community and territorial levels.

With a years experience and planning behind us, we feel that at least five additional years will be required before Indian communities in the Yukon will have chosen their own social, economic and cultural plans. We would suggest that at least a similar period of time will be required for other Yukoners to plan for their own future development. Only through Yukon controlled development, I mean self-development for Indian and non-Indian Yukoners and the substantial negative impact of large scale resource projects be minimized and their seemingly mythical benefits maximized.

Once again, I thank you for your interest in our views and for the chance to present them.

MR. CHAIRMAN: Thank you very much Mr. Isaac for that presentation and for responding to the specific questions that this Board has asked for assistance on.

(BRIEF OF MR. GERALD ISAAC MARKED EXHIBIT 125).

MR. CHAIRMAN: Can I ask

someone else to come forward? Yes sir?

MR. McLEOD: My name is George McLeod. I didn't prepare any report because I studied for the last month what I was going to say. I was a previous Chief of the Dawson Band. My Band number is eighty-four. I hear that the pipeline take a new route. Watch out.

Now, people have talked about concerns of the pipeline, but I was travelling in 1975 to Fairbanks, Alaska and fortunately, I have evidence of pictures that I took there of the influence of the pipeline towards native people. Also, the City of Fairbanks. So, pictures don't lie.

This is a picture here, it says Fairbanks, Alaska, 1975. It shows people are laying around in peoples' yard. They come into the city and by the thousands and the waiting line per day was one thousand five hundred waiting for jobs.

This was a picture there of the police force. The police force declined on account that they get higher pay to work as patrol - defence patrol or military police for the pipeline.

This is the picture of the Indian people sitting on the street in the City of Fairbanks and they came from different villages -- all over Alaska and they did not speak to one another. They were discriminating against one another on account of pipeline.

everyone is the best for themselves. This is a picture of the Indian people fighting along the street in Fairbanks, Alaska. It says Fairbanks, Alaska, 1975. And also the effect of that pipeline, like I say, there was one thousand five hundred people waiting for days for employment. The food price doubled. Living expense doubled. If you have a relative, my grandmother lived there, and she was brought up by her landlord for thirty thousand dollars. She paid up to thirty thousand. She had to pay another ten thousand but she was bought out and conned thatshe wanted to sell. And he make double price. he made a profit. That doesn't -- that's not just happend to one. That's just an example. Prostitution, perverts, dopes enter the city and Indians were discriminated, jobs were scarce for native people and these days I heard somebody say that there would be jobs available.

I wonder who lectured him before this? Jobs were scarce for Indian people when I was on holidays there and I sure damn well left there fast, because I went some place else. I went to -- I went Outside and I'm speaking on behalf of Dawson people, and all people, because I was chief before and they say they taking the new route and this has been decided by the National Energy Board. I strongly oppose for that pipeline and also I'm saying that I do not wish to have any pipeline until we settle land claims. Thank you.

MR. CHAIRMAN: Thank you Mr. McLeod.

Mr. Webber, President of the Yukon Association of Non-Status Indians and you are speaking, I take it Mr. Webber, in your official capacity or personal?

MR. WEBBER: Yes, thank you very much for the introduction Mr. Lysyk and members of the Board.

I have enclosed some of the history of the Indian people in the Yukon, although you have heard it before I think it bears repeating to enforce it in your mind.

There are about six thousand Indian people here in the Yukon, of which many are non-status Indians. I use the word Indian here to mean anyone who is eligible for the Yukon Indian land claim settlement.

The Indian people have never ceded or surrended their lands and they have never signed a treaty with the Government of Canada. We, as indigenous peoples of this land, have lived here for many thousands of years. In order to stay alive, our ancestors carefully harvested the land from the river basins to the upper ranges of the mountains. Well worn trails linked rivers, lakes, and trading centres.

Archaeologists estimate that the Old Crow people, for example, have lived here for thirty thousand years and that families in the Beaver Creek area used approximately ten thousand to twelve thousand square miles, following century old trails. The yearly pattern for many of these people was to live at fish camps during the summer, move to hunting grounds in the fall, and trap through the winter and to come together at trading camps in the spring.

The past developments in the Yukon Territory have had a large impact on the social, and cultural structure of the Yukon Indian people. When white traders came, it disrupted the socio- economic cycle of the Indian people. They moved their head-quarters to the trading posts. Commercial fur trading, once secondary to hunting, began to control the lives of the Yukon Indian people. Then the gold rush had a devastating impact on the people living near the Klondike and all along the entire route. Many died from the new diseases brought by the gold seekers. Many left the bush to work at what turned out to be temporary jobs. Many of the white men relied almost completely on the Indian packers and guides without whom they would have never reached the Klondike. The prospectors and gold seekers left as quickly as they came, leaving our people to cope with epidemics, loss of land, and

culture.

Then the Alaska Highway was built in 1943 and the population of Whitehorse again increased. Our people are still suffering from that impact. The impact which caused disease, alcoholism, family break-up, violence and despair, was suffered by our people long ago and is continuing today. What non-Indian Yukoners see as progress, we see as destruction of our values and our way of life.

The builders of other projects such as the Aishihik Hydro Power project, the Anvil Mining project, and the Dempster Highway have given us assurances that our rights would not be prejudiced in any manner. We have, however, learned otherwise. They never, ever kept their promises. We recognize that the Federal Government has imposed upon us a very short period of time in which to conduct the research and hear evidence. In fact our Association was very late getting involved in this to assist our people at the community level. But we did seek funds and really appreciate the assistance that we were able to get to assist our people at the community level to better understand what this hearing is all about.

It seems that not enough thought has been given to the full implications of a major development like the pipeline. I believe that it's beyond

the comprehension of any invidual to accurately foresee the huge population influx that will occur and the impact it will create.

I believe with the highest unemployment rate in the history of Canada presently, and I believe in the States they are having similar problems. I think it would be very difficult to estimate how many people would be coming in here.

I have heard some of our MLA's talk about some of the good the pipeline will bring. I'm not so optimistic that I can see only the benefits. As far as I am concerned, they have displayed an irresponsible attitude. How can they say they represent the views of all Yukoners? They are certainly not expressing the views of the indigenous population.

There was a joint Board meeting on May 14th, '77 between our Organization and the Yukon Native Brotherhood. At that meeting, the following motion was passed unanimously:

> Whereas the joint board meeting of Yukon Native Brotherhood and Y.A.N.S.I. are opposed to the Alcan pipeline at the present time, and
>
> Whereas the joint board agrees with the Berger Inquiry recommendation concerning the settlement and implementation of

land claims prior to any pipeline construction in the Northwest Territories.

Be it resolved that the same conditions apply to the proposed Alcan pipeline in the Yukon.

This recommendation includes a ten year moratorium on pipeline construction in the southern Yukon, and no pipeline in the northern Yukon.

We have considered our position carefully. We will continue to dedicate much of our limited resources to the completion and implementation of the land claims settlement so that we may then turn our attention and effort to considering major development. We are determined to obtain the necessary autonomy and control over our land and our lifestyle.

The pipeline may begin an accelerated process of large scale development which we will be unable to influence. With the Alcan pipeline in place, the Dempster lateral will become a logical next step. Our river valleys and renewable resources will be flooded to provide huge reservoirs for hydro-electricity to power new mines and smelters. Also, the Alaska Highway will soon be paved.

These developments and massive immigration will bring an expansion and entrenchment of southern political, economic, and social patterns, thereby reducing our ability to control our own lives and prevent further damage to our society and culture.

The historical pattern of Indians being pushed aside to make way for white development will occur once again. Only after land claims implementation will we have the necessary land, capital and the skills to participate in larger development. It will take time.

So, Mr. Chairman and members of the Board, I ask you to make the recommendation to the Federal Government that no pipeline be built in the northern Yukon and that no pipeline be considered for the southern Yukon until land claims are settled and implemented.

We wish only peace and harmony between us and this pipeline decision will be a measure of such a possibility. Everything I have said so far has been said before. It has not only been said during the past few days, or during the past few months, or during the past few years, or even the past few decades; but it has also been said during the past few centuries by the indigenous people of North America. Almost everybody understands why it must continue to be said. When I listen to some of the comments of our Territorial Councillors and when I look at the lack of responsiveness of the Territorial administration to the needs of Indian people I wonder how many more centuries it will be necessary for us to quietly and patiently make these points.

From my view point, from where I stand as a leader representing non-status Indians in the Yukon, I simply cannot see any movement whatsoever towards more acceptable attitudes. The Territorial administration consistently refuses to provide these special programs that are required by Indian people. Such special programs are now being made available to Indian

people in other jurisdictions, why not in the Yukon? I am speaking, of course, of programs like the DREE Special Art of Program , and many other programs provided by Provincial Governments and the Government of the Northwest Territories. There has not been a single action of the Territorial Government which gives me any hope that they will give up their attitude towards the establishment of relevant programs for Indian people.

I must, however, continue to try to get the Territorial Government to realize that they must take responsibility for Yukon Indian people. The Territorial Government must develop special funding programs and other special programs that will ensure that Yukon Indian people will get relevant services, selectively delivered in the most appropriate sequences.

We all know that the effects of pipeline construction and other spin-off developments will cause further damage to the Indian people. These impacts have been spelled out in great detail in the Berger Hearings and the hearings of this Inquiry. I am proud of the way non-status Indians have spoke about these impacts. My people are much more thoughtful and wise than most bureaucratic and political decision-makers think they are. Regrettably, however, some people are afraid to speak out because they are concerned about their jobs. Others have not had enough time. Some of the

people I represent are saying that they intend to move away from the centres of development in order to protect themselves and their families from the impacts of the pipeline construction. Others are suggesting more drastic means of defending themselves and their families. I am fearful that despite the massive opposition to this pipeline the Government may indeed decide to allow it to be constructed along the Alaska Highway. What am I to do if that happens? After I and almost every other single Indian in the Yukon Territory has said "don't do it". What am I to say when the Government comes out and says "sorry fellas, we're going to do it anyway". I have to think about that.

I put it in the category of thinking about the unthinkable. There is no way, if I am to face reality, that I can be an effective leader of my people without looking at that possibility of a decision that will be made even though it is against our best interests. Then what do I do? Well, I just don't know all the things I will do in the event, but if it should happen, I will consult with all of my people before we take the action that we consider most appropriate.

There is one thing I did yesterday: I sent a telex to the Prime Minister and I want to read that telex to you so it will be part of the

record of the Alaska Highway Pipeline Inquiry.

"Tomorrow I will appear before the Alaska Highway Pipeline Inquiry at an informal hearing where I will state the position of the Yukon Association of Non-Status Indians regarding the Alaska Highway pipeline. We will say no to a pipeline along the Alaska Highway for at least ten years or until Indian land claims are settled and implemented in the Yukon. My organization is solid on that position and so are all other Indian associations in the Yukon. We realize, Mr. Prime Minister, that you must inform the President of the United States of Canada's decision on the western Arctic gas pipeline by September 1st. You have Mr. Justice Berger's report and you have the National Energy Board's report and soon you will have the report of the Alaska Highway Pipeline Inquiry.

We expect the evidence will lead you to the decision to delay construction as we are demanding. But we must, however, face the unthinkable possibility that a decision to go ahead immediately with the Alcan route may be made despite our opposition. If that happens, the Yukon Indian people must prepare to defend themselves.

Let me be absolutely clear about how we must undertake this defence activity. We must first communicate directly with you concerning the immediate activities required now in the event of a decision to build a pipeline.

I therefore wish to arrange a meeting with you as soon as possible. I am sure that the leaders of the two other major Indian organizations in the Yukon will also wish to meet with you at the same time. The matters I wish to discuss are as follows:

(1) Economic development: We require programs which will provide appropriate small scale economic development activities in the communities which will allow Indian people to maintain and improve their conditions of life. Independent, if they so choose pipeline and other large scale activity. For example, we have tried unsuccessfully for five years to have DREE type programs such as Special Art I introduced in the Yukon. Also, Central Mortgage and Housing Corporation housing programs are not appropriate for the Yukon. We have ideas for new innovative programs. It is action on matters of this kind that we

require.

(2) Social development: The efforts of Federal and Territorial bureaucracies with large numbers of high paid non-Indian professional staff to deal with Indian social problems have been largely unsuccessful. We require the appropriate funding so that Indian people can undertake projects which will find solutions to some of our immediate problems and allow us to learn how to deal with the impacts of large scale development in the future. For example we wish to ensure continued funding of the Yukon Outreach Program, at no less than present levels and we require more adequate resources to develop and implement our education, recreation and alcohol abuse programs.

We should also be engaged in action research projects to find ways to deal with social impacts. For example, we are still suffering from impacts of the Alaska Highway. Presumably, the two hundred million suggested by the National Energy Board to be put up Foothils to defray social impact costs, will be in part, transferred to Indian groups. But we cannot wait for that to happen because we need action now on the matters I have mentioned above.

(3) Cultural Spiritual Development. We need adequate funding to undertake activities in these areas which will help to provide the inner strength our people require, to resist the advance of the development juggernaut. We need action programs immediately in connection with the three matters discussed above. Planning. We also need to have our own continuing long range planning capability. I wish therefore to discuss planning also, but let me emphasize again, we require action, not more studies and more stonewalling tactics by Federal and Territorial bureaucrats.

These are the matters I wish urgently to speak to you about because

these are the positive ways we would like to defend ourselves. We are sure you will want to take personal interest in these matters. If we cannot find the means to get action on these matters, then we will have to find alternative means to defend ourselves. We do not want this pipeline until we are ready for it. Nothing we have said in this telex changes that solid position."

I expect to get a positive response to that telex and as I said, I think the other two leaders of the major native organizations - Daniel Johnson of the Council for Yukon Indians and Willie Joe of the Yukon Native Brotherhood, will want to attend that metting with the Prime Minister.

We will be prepared to discuss some very specific matters related to action programs required immediately and we will want to discuss the resources required to undertake some future oriented long range planning and research activities. If we can get some positive answers to some of our concerns and demands from the Prime Minister, his Cabinet colleagues and his officials then we will be in a position to decide what kind of response we will make to a decision to build a pipeline.

I am not a great public speaker that can stir men's blood, not many of our people

are, at least not in front of public Inquiries or in the English language, but that does not mean I have no influence among the Indian people in the Yukon. I would not have been re-elected by acclamation by two annual assemblies of the Yukon Association of Non-Status Indians if there was any doubt about my leadership.

That does not mean that we Indians do not have disagreements within the ranks of our organizations. We do have such a disagreements, but let me assure you - let me assure this Commission of Inquiry and let me make it clear to the Federal Government, there is no division on this pipeline issue among Indians in the Yukon. We do not want a pipeline right now. We want that pipeline to be delayed until we are ready for it. I have told that to the Prime Minister in my telex and I will tell him again when I see him in Ottawa, but I also want to explore with him, some of the matters raised by the horrible question - what if the Cabinet approves the Alaska Highway pipeline?

I hate to think about it,but as a responsible leader, I must ask what if? Thank you.

MR. CHAIRMAN: Thank you very much Mr. Webber for that interesting submission. Mr. Willie Joe, the President?

MR. JOE: Like Mr. Webber, I must thank you for the introduction and I'd like to out-

line that my presentation today does not deal so much on the pipeline. It deals more on the social developmental aspects and the control of the development and design of the Indian futuristic programs.

I'd like to make my comments in regards to the presentation made by Vice President, Gerald Isaac and the very eloquent presentation made by Bill Webber. He says he's not a very good public speaker, however, I disagree.

Members of the Inquiry, ladies and gentlemen, in my address to this Inquiry today, I would like to draw to your attention, the concerns of the Yukon Native Brotherhood as it relates to development in the Yukon Territory. While addressing those concerns, I would like to draw to your attention, a major problem area that is encountered by the Yukon Native Brotherhood. In doing so, I would like to remind each and every one of you, that the Yukon Native Brotherhood is an association designed for the greater benefit of Indian people.

In my view, the major priority of the association is one of helping the Indian people to develop at the community levels at a pace that is acceptable to their needs. The Government of Canada, through the Secretary of State, has provided the Indian associations in Canada with basic core funding to provide basic development means for Indian people. The Government of Canada must be

commended in their efforts in assisting the Indian people in Canada to develop themselves, however, in the same instance, an Indian person such as myself, born and raised in the Yukon Territory, must question the sincerity of this government in its attempts at developing people.

Many of us throughout this great country can relate to helping developing nations throughout the world, yet when we look right within our own back yards in this great Canadian society, do we really realize that there is a developing people within our own country's boundaries? Chief John Snow from Alberta, recently stated that we are surrounded by modern technology, yet I wonder if in all our wisdom, that this modern technology can in fact, help the people to develop.

In this great country which we call Canada, we have the necessary modern technology and governing system that if used in the proper form, can help the Yukon Indian people to develop at their choosing. As stated earlier, the Government of Canada in its wisdom, has provided funds to the Indian Associations to assist the development of the Indian people in the Yukon Territory. In 1969, the Indian people in the Yukon Territory eagerly accepted this money in order that they may plan and develop their future.

What the Indian people did not know was that there were a set of guidelines established

by the Government of Canada that precisely depicted the way in which the people in the Yukon Territory would develop and not necessarily at their own choosing. The situation that I have just outlined, is in my view, a mass political strategy whereby a particular government can say to its Canadian public, look, we are spending your tax dollar, helping the Indian people to develop.

The question I must ask is how many of you really know what this situation is in regards to development as it relates to Indian people in Canada, let alone the Yukon Territory. Although we are an organized association, representing Indian people, I must seriously question our representation in the context of the sincerity of which the Government of Canada in their viewpoint of this recognition in this representation. I sincerely believe that the same mentality that existed quite some years ago, that prodded an Indian Affairs individual to write, "let's pretty up the Whitehorse Indian Village because that is the only place that the Governor General of Canada will visit" and I believe that this exists today, only in finer form.

Now the crux of the situation lies in that, while we as an asssociation, are designing developmental plans for the Indian people in the Yukon Territory, that the Department of Indian Affairs in their wisdom, are doing exactly the same thing. This entire

Brotherhood is striving at as an end result is that the Indian people in the Yukon Territory will eventually become a contributor to the Canadian society, rather than the present condition where they are a tax burden to the Canadian society.

Finally, I would like to impress upon you that our goals will only be achieved by your support, so I urge each and every one of you to write those letters.

In closing I would like to thank those people who intend to write letters and I would like to thank the members of the Inquiry and those of you who are present here for this opportunity of sharing some of the concerns that are being faced by the Yukon Indian people today. Thank you very much.

MR. CHAIRMAN: Thank you very much Mr. Joe for that thoughtful statement.

MS. ASP: Edie and members of the Commission, my name is Janet Asp, in Tahltan. I am a transient Indian and have lived in the Yukon for the past twelve years. I would like to see my children grow up here in a strong and healthy environment.

There shouldn't be a pipeline. This is a large project and plenty of planning should be completed thoroughly rather than just throwing it at us and expecting us to accept it. It will only cause hurt

and pain for the Indian people who live here. There are many problems with large development that the white people don't see, or pretend not to see for financial reasons.

Indian people are virtually very much family people. No one heard about the effects of the Alaska Highway until this time when we are once again faced with the prospects of no law and order. If this pipeline goes through today, it will be no different than it was thirty-five years ago, except that people have even less respect for each other. It will be total and absolute chaos with people bulldozing their way through our land, walking on our people. The proposed pipeline route hit every community and every community shall feel the effects.

Every week-end will be a nightmare for the people of the communities, white as well as Indians. All of our younger brothers and sisters will be exposed to the large influx of violators who will be here without family and friends. They will further be exposed to the large quantities of alcohol and drugs that follow fast money jobs. They wouldn't understand what is happening until it is too late. These violators will enter their lives as boyfriends and girlfriends who are doing really good, working for the pipeline companies, driving fancy cars with lots of money for booze,et cetera. Wherever there are a lot of people with a lot of alcohol and drugs

and easy access to it, there will also be a lot of violence. The people will be not known by you or me and they wouldn't have any respect for us.

They are my brothers and sisters, my family and friends, and I personally don't want to see the pipeline.

Thank you.

MR. CHAIRMAN: Thank you Ms. Asp for that presentation. Can I invite someone else now to come forward? Yes, sir?

MR. HORNSEY: My name is Rob Hornsey, and I have lived in the North for about five years and therefore consider myself a southern white Canadian.

I would like to say that after hearing both -- many sessions of the Berger Inquiry and this Inquiry, that it is clear that whatever decision on a pipeline is to be made, will be made in the national interest. I wonder what the national interest can be other than it's people and that what Canadians and especially the Inquiry have to hear and feel loudly and clearly is the sentiment of the native Canadians here and we as Canadians have to respect the rights for self-determination that we're guaranteed in the British North America Act that constitutes and founds this country.

If the decision to go ahead

with the pipeline is made prior to a just and Indian animated settlement, that it will be a wound, not only for the Indian people, but all Canadians.

That's the sentiment that I would like you to convey.

MR. CHAIRMAN: Thank you Mr. Hornsey.

MS. GRUNBERG: My name is Sharon Grunberg - G-R-U-N-B-E-R-G, a German name. After all the wonderful people I have heard at some of these Inquiries and especially today my friend Mary Jane and with her tremendous speech and many of the other wonderful people here, I would really like to share just my personal feelings. I have no prepared speech. I just feel inspired to it.

By birth I am a U.S. citizen and I have lived in several different countries during my life. I'm really grateful for the experience because it has given me a little bit of a world view of what's going on. I feel really strongly that it's gotten to the point where humanity is influencing each other all over the world and what happens here in the Yukon now with technology pushing forward at its uncontrolled rate is not only effecting the native people and white people who are in the Yukon, but it effects the whole world. What the rest of the world does affects us. I was raised

a larger part of my life in the U.S. in the areas that have had the type of impact that will come up here and I came up here to get clear of all that and tried to see what the priorities are.

I really want humanity to development the better value system for dealing with the technology that western culture has developed. I see a lot of benefits that can come from it, but I don't feel that any of us benefit, if anyone of humanity is harmed and if our mother nature is harmed. We all live off of that and there's no future for all of us if we continue it at this type of rate. I really just want to see that -- I really feel that an energy coming out of me from being with all of these wonderful people from living up here just a year and a half that it was all blocked as I lived down in the midst of that culture.

It seems a really idealistic viewpoint. When I was a kid, my father used to tell me when you grow up you'll lose your idealism, you know, you won't look at things that way. But so far I'm twenty-seven and I haven't lost it and it certainly doesn't make me lose it to be around such wonderful people.

I felt the stigma of being an ugly American when I travelled. I felt people generalizing me with what's going in the U.S. culture. I was taught in the U.S. culture as a child that the U.S.

was a big, wonderful, kind country to the rest of the world and somehow the things I saw when I lived as a child in a developing country didn't seem to jive with that.

So, I really feel strongly that, you know, this is the point where we -- the best of humanity is coming out and we, all of us, I hope it will reach everybody, that people who think that we need to depend, as Mary Jane said, on the things that modern technology has brought, well, it can really bring us good benefits. I'm trying hard right now to unhook myself from just this orientation of consuming, consuming, consuming what eight-five or ninety per cent of the world's goods have while the rest of the world is starving. We can never be happy, healthy people, people healthy in spirit if the rest of the world is suffering that way or people within our own country, as was brought up today, are suffering that way. And Mary Jane pointed out of how the U.S. is greedy, greedily reaching out, saying we can't survive if we don't have this oil and this gas and so forth to continue with the living the sort of lifestyle we have. Well, when New York when her electric system broke down years ago, I think it was one of the most tremondous things that could have happened to those people. I bet it really raised a lot of people's consciousness, because from what I read of it and heard of it, the people finally, you know, didn't have all these material things inbetween them and they helped each other in difficult situations. Instead of chaos breaking loose in all cases in the subways and so forth, people finally turned a little bit human and realized each other were there and that they belonged together and helped each other

and I think slowing down this type of development as much as we can to stop and take stock and, you know, have a more humanistic value system behind this type of development is the best thing that could happen to the U.S., too.

MR. CHAIRMAN: Thank you, Ms Grunberg, for the very eloquent statement.

Someone else like to come forward now and make a statement or ask a question?

MR. JIM ERKILETAN (?): My name is Jim Erkiletan. I just finished a cross-culture co-ordination course with the Yukon Native Brotherhood and for us, our problems will be multiplied quite a lot by any large-scale development here.

We decided the main thing we need time for is to develop a non-exploitative concept of development here. Something that we can control.

That's about all I have, thank you.

MR. CHAIRMAN: Thank you very much. Thank you for coming forward.

If someone else now would like to come up to say something to the Inquiry or ask a question. Mr. Smith?

MR. ELIJAH SMITH: Thank you. I want to make this clear that I'm not sitting up here on behalf of the government. I'm sitting up here on behalf

of Elijah Smith. I've had several good jobs with the Indian organizations and also with the government, but to me, what I've heard tonight should be quite clear to everybody, even a dumb guy like me, understand them. They don't want no pipeline.

What I would like to say is if they insist on pipeline, they should be -- I want to talk to the Indian people to think this over -- they should be a strong representation put forward to the government telling the government just exactly what they want. They want the pipeline to settle the Indian land claims, let the pipeline settle the Indian land claim. Myself, I would like to go on record saying I've got the biggest gravel pit in the Yukon Territory. That's from the Alaska border to B.C. border, it right-of-way of the pipeline.

Thank you very much, ladies and gentlemen.

MR. CHAIRMAN: Thank you very much, Mr. Smith, for that statement. Who would like to be next? Anyone else?

MR. NEIL MACDONALD : My name is Neil Macdonald from Old Crow. I'm sorry that I didn't attend your meeting. At the time of your meeting in Old Crow I was in Haines — — and what I heard, what I read in the paper about the visiting you had in Old Crow. Now this pipeline, about, what, the

Dempster Highway? I'm -- on the Alaska Highway or the Mackenzie, they should forget it. It would destroy the country, it would destroy the people.

What I heard of what went, what the people, the native people went through when they built the road, now they, it will be the same again, they build a pipeline. I've been in the Yukon since 1912 and all that time I make my living hunting, trapping and fishing and that that, later on, in the Old Crow, they classed us as white. We can't get anything from the government and they even made us pay poll tax.

One time they told us that we are classed as white and they said that we're supposed to shoot only five caribou or one moose for a year and we had to write to the Yukon here, the Yukon Council in Dawson so George , he — — living exactly the same way as the Indians. We make our living trapping, hunting and fishing and some of these people, they have big families, they can't live on five caribou or one moose for a whole year, so I asked him to try and do something and in fall, after the Yukon Council was meeting, he wrote me that we'll have the same privileges as the Indians. He said I'll tell you what, we as the YANSI's , kill what we want for ourselves. As much as we want.

Now, if a pipeline comes through through those countries.

But before I start that, before 1922, there was no caribou around Old Crow. The people had to go south, as much as hundred miles only getting the caribou and moose.

In 1922 the first caribou run came from the east past Old Crow. Then later on, in the fall, the caribou crossed the Porcupine River towards the south. In the spring they come north and it's been like that ever since.

Now all these caribou, suppose they go through the Dempster Highway, the pipeline, the caribou won't be going through here. Even the planes, even if the caribou hears a plane, they run away. I don't know which way the caribou might make -- the road, crossing the Dempster Highway. The noise of the pipeline workers will make will not only scare away the caribou and moose, but other animals, fur-bearing animals. That will make it hard for the people. Not only in Old Crow, but in different places where the people make their living hunting and trapping. Now, if the pipeline goes through the land will be destroyed, it will just be different ways. A lot of these people will have a hard time.

So, we don't want no pipeline. Now or any other time. This is through the Dempster Highway and the Highway. That's all.

MR. CHAIRMAN: Thank you very

much Mr. MacDonald for that statement.

Anyone else who would like to come forward to make a statement or ask a question?

MR. KANE: Good evening. My name is Ken Kane. I guess like a few of the people here what I'm saying, I guess what I will be saying to you is going to be like myself. This is what I feel, although I work for an organization called the Council for Yukon Indians. I'm sure you're going to get their formal presentation next week. But what I'm saying is like what I think about pipelines and land claims in the Yukon.

As one I was born here and raised here. I would like to start off and state that I think, you know, we have got to state right away that-- to establish the fact that right now this place called Yukon is still Yukon Indian land and you know, the National Energy Board made a recommendation. I believe in my heart, you know, -- I still believe that I don't want a pipeline anywhere in the North really.

As I said I'm speaking for myself because I'm only responsible for myself for being here and I can't be responsible for anything else, I can't speak for anybody else.

What does land claims mean and why does everybody, you know -- when I think of people saying no pipeline before land claims. To me, it means

this is the first time myself and our people have had a choice, a chance, or even asked for the first time through land claims. What do you guys want? What is it that you guys want? This is what land claims means. This is why I have such strong feelings about developments that come through the Yukon without settling the basic question of land up here. I mean, is this following, like, established Canadian law. I guess you don't build a pipeline across somebody else's lawn or yard or anything without getting their permission or consulting with them. This is what I'm saying. This is what I think we mean when we say no pipeline, or what I mean anyway, when I say no pipeline before land claims.

I guess I'm realistic enough also realize that time, you know, times change, like times have always done. I myself, I've been through the education of the non-Indian society, through University and high schools and things like that. I think I've seen enough of what this does to people Outside. I think I left the Yukon in'67 and came back in '73. I had been away for six years and what I did mostly was I travelled in the States and lived mostly on reserves and where most of our people live. This is the way Indian people are.

What I saw down there is -- of the, I think of the responsibility taken away from people, the proud people that ran and manage this

country called North America. What I'm talking about land claims and things like that and say I don't want to see land claims -- I don't want to see a pipeline before our land claims are settled.

I don't think that I'm talking about or saying that I don't want to see no development, I don't want nothing to happen. That's not what I'm saying. What I'm saying is that our people need time to consider this, I think. Time to think about the future of our people and like I say, I think, Mr. Lysyk, that you should go back to the Government and say that the time that was allotted you is not sufficient to hear what everybody has to say about pipelines in the North.

So this land claims, getting back to being responsible again, I think it's time all of us became responsible for ourselves. Being responsible in a sense that we came into this world, so how can we like only exercise our responsibility every four years by putting an "X" on a piece of paper. So through land claims I see myself and my people having this chance, this choice of being responsible people again.

I think that was taken away and I am a product of that, as I can say when I was about eight year old I was kidnapped from Champagne and taken to a place called Whitehorse Indian Baptist Boarding School, not only did they take away my choice

of learning, but also it took away the responsibility from my mom and dad of raising me for about ten years. Also my father was asked to move into the -- close to the highway and another responsibility was taken away. A responsibility of being the food gatherer there. The person who takes care of families. These are the things I'm talking about. I think it's time that we started being responsible for who we are and what are we doing on this earth.

So this is what I think our people are saying when they say we don't want a pipeline right now. We need time, because I think it took Canada a hundred and ten years to get where they're at. The natives in the Yukon have only been organized since 1968, '69. I mean, ask the people in about nine years to do what it took this country a hundred and ten. I think Chief Dan George said it great when he said, we have to take this Twentieth Century progress and have time to chew it and digest first.

It was like forced feeding from the start, so my personal view of when I say I don't want to see no pipeline before land claims, I'm talking about the chance that is before us, this chance that is given back to us, this chance to have - to determine our own future. I mean, we're not asking for anything anybody else in Canada or the world's asking, a chance to decide the kind of life we want and land claims down the road is going to guarantee certain rights.

Land will be understood and entrenched in law. Our people will have a choice for the first time of whether living peacefully in the woods, in the bush, doing their kind of life or engaging in a wage economy because there will be money for economic development and things like that. So I'm talking about those kinds of chances, being responsible and doing something for yourselves. I certainly don't want a damn pipeline to

blow this chance for us and for my kid. That's all I've got to say. Thank you very much.

MR. CHAIRMAN: Thank you very much Mr. Kane for that statement. Anyone else with a statement or a question? All right, I'll just remind you if I may, that if anyone does have a thought they wish to pass along while we're still in business, that can be done by mail, a letter of submission or for that matter, dropping it off at our offices in the Lynn Building here in Whitehorse.

I think beyond that, I'd simply like to, on behalf of the Board, express our pleasure that so many people once again, turned out to give us the benefit of their views, participated in our proceedings. Thank you also, those responsible for the additions to our wardrobe. I guess we now stand adjourned. Good night.

(PROCEEDINGS ADJOURNED).

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Alaska Highway
Pipeline Inquiry

Lysyk Inquiry: Vol. 42

July 7, 1977 Whitehorse, Y.T.

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ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE INTERESTS IN THOSE AREAS OF TERRITORIAL LANDS IN THE YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUCTION AND OPERATION OF THE SAID NATURAL GAS PIPELINE AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD:

K.M. LYSYK, Esq., Q.C.	CHAIRMAN
WILLARD PHELPS, Esq.	MEMBER
MRS. EDITH BOHMER	MEMBER

P R O C E E D I N G S

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Whitehorse, Yukon Territory

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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

MR. GOUDGE: If you're prepared, we can resume. Before we begin the cross-examination again, Mr. Roland has one or two things he would like to put on the record.

MR. ROLAND: Yes sir, I have some documents to file. The first is a study by Stephen Strong, entitled the 'Social and Economic Impact of the Trans-Alaska Oil Pipeline upon the Alaskan Native People" and two documents which are socio-economic profiles of thirteen Yukon communities by an organization called "The Yukon Indian Future's Planning". That's dated the 30th of June, 1977.

MR. CHAIRMAN: 30th June did you say Mr. Roland?

MR. ROLAND: Yes.

MR. CHAIRMAN: Does that complete the filing?

MR. ROLAND: Yes, that completes it for this morning.

MR. HUDSON: There is one other matter that was promised to be filed and that is that last week, there was promised to be filed, the other volume of the Alcan Application which has now been delivered to Miss

Hutchinson.

MR. CHAIRMAN: Thank you Mr. Hudson and before calling on Mr. Morrison to continue with the cross-examination, there is a noteworthy event happening later today which has some effect on our schedule for the day and perhaps I could ask Mr. Goudge to speak to the hours that we propose.

MR. GOUDGE: Yes sir, I've spoken to , many of whom have some passing interest in what the Energy Board is going to do this afternoon.

What we would propose to accommodate everybody to give them a first look at least at what appears to be the decision is that we continue this morning until 1:30 and then without having made a full canvass of , but having canvassed those most interested, it appears that we could resume satisfactorily at 3:30.

MR. CHAIRMAN: Thank you. All right Mr. Morrison, I think whenever you're ready, we might continue with your cross-examination of the Panel.

MR. JOHN OLTHUIS, Resumed;

MR. HUGH McCULLUM, Resumed.

CROSS-EXAMINATION BY MR. MORRISON (Continued):

Q I'd like to pick up where we left off on Friday. I'd like to turn to page ten of your evidence. The paragraph after the numbers outlined there. "It's absurd to think that almost two billion dollars of

Canadian money will be utilized for a project" and so on.

On Friday, did we agree that a lot of this money -- a lot of the funds would be throughout Canada?

MR. OLTHUIS: I think my statement Mr. Morrison was -- ended up companies proposing to build the pipeline and to the major suppliers of -- makers of pipeline, makers of the equipment necessary and so on.

Q

A Well, I'm saying Mr. Morrison, that these -- it's about three billion dollars as we indicated on Thursday. That these monies are now being used in other ways in the economy and I've outlined some of the areas where we these funds will come from, namely areas in the economy that make much more of a contribution to the number of people employed to social services and so on.

One of the failures of the metric studies done by the applicants is that there is no indication of which areas will suffer through the allocation of funds away from those areas into the pipeline project.

Q Mr. Olthuis, you are an economist, are you?

A No, I'm not an economist.

Q Okay. Just to follow that, then, we have this money and we have it going into the Canadian economy, spread throughout the economy -- we won't worry about proportions right now and just follow this for a sec. And you're concerned that we're taking these dollars away from areas which would normally be using them in any given course of a day, okay?

A Correct.

Q Okay, now, but you will agree with me that that money is going back into the economy?

A Yes, it is.

Q Okay. And, now, if we follow that, if the steel industry in Hamilton, Ontario, is dying and depressed, we're going to rejuvenate that, that means that the other businesses in Hamilton, Ontario, such as small grocery stores and so on and so forth will also receive the benefits of that money?

A Well, the point I'm trying to make, Mr. Morrison, is that the reallocation of funds away from more labour intensive industries towards the capital intensive projects will mean that in fact more jobs and more funds will be taken away from small business, than will go back to small business through the re-allocation of the funds.

Q Yeah, now, you have assumed that this money is already allocated to small business, but in actual fact, this money is not in the hands of small business now.

A As I understand it, Mr. Morrison, they are funds that are presently in various sectors of the economy. Now, there will, of course, be some introduction of new funds in the normal way of introducing new money by monetary policy and fiscal policy into the economy, but these are presently employed funds which will be taken away from their present uses and allocated to this use. And we're saying that that allocation probably is going to mean more jobs are destroyed than are created by the new re-allocation and all the other items I've mentioned in my evidence.

Q Yes, well, let's make sure we have this present use of funds quite clear, because you're not talking about funds that are presently being used by businesses, you are talking about funds that are presently in the financial institutions.

A Well, I believe that they,re for example, a small business that may have a loan from a financial lending institution--

Q Yes.

A It's going to be much more difficult for that business probably to maintain that loan and certainly much more difficult for that business to get

additional funds from the lending institutions because the lending institutions are going to be trying to funnel their funds into this project. So, in that way, it is going to be taking funds away from present and potential uses in the economy that are much more socially redemptive we would call it, then the re-allocation towards the pipeline project .

Q Just to clarify, you are telling me that the lending institutions would, by saying that businesses would have a difficult time maintaining their loans, you're telling me that the lending institutions may call those loans?

A Well, they may, they may when, say, those loans are due, rather than renegotiating or renegotiating at existing interest rates, the interest rates may be much higher, because of the opportunity costs which are available by re-allocating the funds into the pipeline industry.

(STUDY, STEPHEN STRONG, THE SOCIAL AND ECONOMIC IMPACT OF THE TRANS ALASKA OIL PIPELINE UPON THE ALASKA NATIVE PEOPLE, JUNE 1977 MARKED AS EXHIBIT NUMBER 95)

(SOCIO-ECONOMIC PROFILE OF 13 YUKON COMMUNITIES, JUNE 30th, 1977 (2 VOLUMES) MARKED AS EXHIBIT NUMBER 96)

Q You will agree with me though, that if there is no business to be conducted by business or an enterprise that that is much worse than there being a shift in the policies of the lending institutions?

A I don't -- I suppose I wouldn't accept the premise, Mr. Morrison, because these are, you know -- these are existing businesses, small business where the amount of capital used and utilized produces far more jobs and far more secondary spin-off than the allocation into pipeline related activity.

Q But someone still has to finance that.

A Well, of course,yes.

Q Yes. Now, let's just follow down and we'll try and line this up in a minute or two here.

It says that "the pattern is that hinterland regions, such as the Yukon, are hardest hit by negative national impacts and benefit the least from positive national economic impacts."

Now, on Friday we were discussing a scenario on possible benefits where we alluded to the possible hydro development, and you stated that no evidence had been submitted in that respect, and I think it was Mr. Roland indicated to you that perhaps there was some evidence available there.

Now, I take it from your statement that you are saying this is a national -- this is a negative national economic impact?

A What in particular?

Q The Alcan submission, or the Foothills proposal.

A Yes, that is my contention for all the reasons that I have outlined in terms of what is contained in my evidence, pages, I guess starting on page eleven and moving through to page sixteen. Those nine points.

Q Yes, okay. Now, you are now aware that there is a possibility that the pipeline could be electrified?

A Well, as I understand it from reading the transcripts of the cross-examination that Foothills has said that at a certain point down the road it would be possible to convert to hydro-electric power --

Q Yes.

A -- to run the compressors and so on.

Q Okay.

A But there are a lot of economic contingencies connected with that.

Q Yes, okay. Now, on

page fourteen, one of your negative -- that is to say your proof of a negative impact, you say here; "development of renewable energy alternatives".

Now, if in fact, that the pipeline in Yukon assists in the development of renewable energy alternatives, is that not a positive impact?

A One has to look at them, Mr. Morrison, in the total context of the possibility for the development of renewable energy alternatives throughout Canada, particularly solar energy alternatives, bio-mass alternatives and so on. The contention is that a putting of, or reallocation of say the three billion dollars into the development of renewable energy sources, throughout Canada, would in fact make a much greater contribution to the economy in terms of jobs, in terms of spin-off and so on, and it would mean less reliance on fossil fuels.

Now, that's not to say that in addition, the development of certain hydro electric projects would not be considered a renewable energy alternative, but it seems to me that a lot of the energy developed by hydro electric projects in the Yukon would probably have to be say exported to Alaska and that that kind of development in the Yukon would not necessarily make a very substantial contribution to the Yukon economy.

Q Okay. I take it you have read -- well, sir, I take it from your statements

on Friday you haven't read is probably, the submissions made the last time the Board convened the hearings in Whitehorse?

A I have tried to read as much of the volume and stuff that comes out as I can, but --

Q Okay, we won't pursue it then. You talked about three billion dollars being utilized for renewable energy development. Where would this three billion dollars come from?

A The three billion dollars would be reallocated from the present economy in the same way as the proposal.

Q Yes, let's talk about a present economy. Now, you, we all understand how it works and private enterprise doesn't come up with three billon dollars to finance, you know, research into renewable energy alternatives, the government comes us with that, doesn't it? Normally?

A Well, if the conditions for, in terms if a Canadian energy policy were such that the government's policy was very much towards fostering the development of renewable energy sources and that the government would make the royalty provisions for the development of fossil fuels less attractive, you would get a re-allocation of those fundings, funds, into alternative energy and away from non-renewable fossil fuels.

Q What was the Government of Canada's budget for the research into development of renewable energy alternatives last year, Mr. Olthuis?

A One point two million dollars.

Q What is private enterprise's contribution to that?

A Very little.

Q Do you have a figure?

A No, I don't. I don't have a figure. The figures -- I haven't seen any figures on that. There are some projects, as I understand it, at the, you know,

in this initial stages of development and so on, but in terms of the total R and D budget, there's one hundred and thirty-four million dollars and about ninety-five of that is going into nuclear, development of nuclear energy and we've been pushing and think that the government ought to re-allocate its priorities away from research and development in nuclear towards renewable energy sources and that that's part of a longer range energy policy that will also make a very substantial contribution in terms of the development of the economy.

Q Yes, but when we talk about three billion dollars, you know, this three billion dollars that you have mentioned about allocating to development of renewable energy alternatives, is not funds that presently exist anywhere.

A Yes, it is, yes, it is.

Q You're proposing that Foothills should take their -- go and finance, arrange financing for three billion dollars to develop renewable energy alternatives?

A I think in terms of the public service, that that would be a much greater public service than proposing to build an Alcan pipeline.

Q Well, I understand how the country works that the government is public service and private enterprise is private enterprise.

A Well, that's, we believe that the interest of industry and government should both be for the welfare of all of the people of this country and that there ought not to be sort of a struggle between government and industry, that industry is saying that we develop in such a way that it puts money in our pockets, and government has to struggle in order to change that position. We feel that an energy corporation should be concerned with the kind of development, the kind of allocations of its funds which make a long-range contribution to a wholesome energy policy across Canada. So, I very definitely say yes, I think, it would be a much better use of the funds that Foothills can garner to go very heavily into the development of alternative energy.

Q You don't really believe, though, that if Foothills approached the financial institutions, that they'd get three billion dollars to do that, with no return on the end of it?

A I think they probably would get those kinds of funds, if, at the same time, government and one of the roles of Foothills ought to be to persuade government that, in terms of long-range energy policy, the development of renewables is a very important consideration that the government and Foothills and other energy corporations should be concentrating on.

Q I think everybody today is aware that energy is a matter of prime importance and people

are doing some research -- you put it that possibly not enough, but irregardless or, there are things being done about this, now, are you proposing in the meantime that we stop renewable, or non-renewable resource development?

A Well, no. This pipeline proposal isn't bringing any energy to Canada.

Q No, no, I understand that, that wasn't the question I asked you.

A So, I'm saying we're in a transition period. The transition must be away from the degree of reliance we have on non-renewables toward a more of a reliance on the non-renewables and that energy corporations, as well as the government, has a responsibility to the people of Canada to take energy development in that direction.

Q Well, perhaps this is happening, but what I asked you was do you think in the meantime we should stop non-renewable resource development?

A We shouldn't stop non-renewable resource development, but neither should we be allocating this amount of funding to build an All-American pipeline.

That's not the development of resources for Canada.

Q Just making that statement though, we did agree earlier that the money would be spread throughout the Canadian economy, not the American economy.

A Well, some of it obviously, particularly through Westcoast, is going to end up back in the American economy.

Q Yes, okay. Some of it.

A A substantial amount I believe.

Q Yes, all right.

You don't have any numbers though?

A Well, no the --

Q Okay.

A -- it's very difficult to get that kind of information. But you can look at the

make-up of Westcoast in terms of the companies that compose it and draw conclusions.

Q Okay, now, let's just finish up on this one point then.

In page ten again,"the benefit released from positive national economic impacts". Now, on the scenario presented before, if we look at, you know, in taking my assumption that this is a positive impact and that it could possibly lead to the development of our greatest resource, our non-renewable resource, how do you see Yukon benefitting the least from positive national economic impact?

A Well, I would suggest that if the Yukon is looking for the development of hydro-electric power, and it's determined that that will make a very substantial contribution to the economy here, that there are much better ways of doing it than building a pipeline and then relying on the pipeline company, converting its compressors to hydro-electric, perhaps some time down the road.

If for example, one billion, just to take a figure, of the present allocation of approximately, and I read Mr. Blair's latest figures, which are 3.8 billion dollars of Canadian funds would be going into that project. If say one billion of that would go directly into development of hydro-electric power in the Yukon, immediately, that might

be a much more satisfactory stimulus to the economy than relying on future promises that perhaps there will be some conversion to provide a base load.

There is a much better way, if that's your aim, of developing hydro-electric power for the Yukon than building an All-American pipeline.

Q I suppose there is a better way to do many things I will finish on this question.

On page seventeen you say "is the way things appear to be on the surface, consistent with what the people of the Yukon, particularly the native people want them to be." Okay, now, in drawing this question to be put forward; do you know that things are different?

A Well I have read the statement of the Council for Yukon Indians. The socio-economic analysis contained in that statement is far different than the socio-economic analysis presented by Foothills.

Q Yes, but I am -- you are intimating here that the increasing modernization of the Yukon is not what the people in the Yukon want.

A I am saying that my information, on the basis of what I have read from the Council of Yukon Indians, indicates that the modernization

which one sees, ought not -- one ought not to infer from that that the native people have completely abandoned their original cultural aspirations and goals, but that there are certain items of modernization which are integrated into what is still basically a different, a unique value system, and that Foothills socio-economic analysis looks and says someone's using a ski-doo, therefore, they must have dropped their native aspirations which is simply a faulty analysis of the situation.

Q I see. And you are taking this from your in depth knowledge of the area, its culture, its history, and its economics, are you? Or are you just making these statements from a piece of evidence that you have read that was submitted by the C.Y.I.?

A I'm taking this from the evidence that was presented by Ms. Cruikshank, from the statement from the Council for Yukon Indians, and from a great deal of discussion and conversation with people in the North who have been -- people like a number of whom we presented as witnesses before the National Energy Board, whose analysis of the socio-economic conditions in the North are quite different from the fifteen page statement of the historical pattern submitted by Foothills.

Q So, in this great amount of discussion, that amounts to years, or hours or minutes?

A On their part, it amounts to --

Q On your part, Mr. Olthuis.

A On my part, my statement is that what I read in the statement presented to this Commission by the Council for Yukon Indians, is that they are interested in alternative types of development. They are interested in a kind of -- the development of different types of institutions and government, and that is consistent with what I understand to be a socio-economic analysis, such as presented by Ms. Cruikshank.

Q Okay. What you are saying here then, you have said consistent with what the people of the Yukon, inferring the population of the Yukon, you should be saying here consistent with what the native people of the Yukon, want them to be. And following down to statement two, again you are talking -- qualifying that with native people of the Yukon?

A Yes, I say in one particularly, the native people because Foothills' socio-economic analysis --

Q I say strictly, not particularly, Mr. Olthuis -- strictly the native people.

A Well, the native population represented by the CYI is twenty-five per cent of the population and as I recall, the statements -- the original statements made by Mr. Blair prior to the time that CYI came out with the statement -- Mr. Blair said that if two to five per cent of the entire population were opposed to the pipeline, even if they had certificate in hand, they would not build. It was only in his final submission to the National Energy Board, that Mr. Blair, after hearing the position of the Council for Yukon Indians, changed that position.

If you read the final argument of Foothills before the National Energy Board, the way they talk about the right of self-determination in the Mackenzie Valley, Foothills is saying about Arctic Gas, that Arctic Gas does not understand the situation in the Mackenzie Valley and that if they did, they would understand that the right of self-determination, which is a basic right for all Canadians, ought to be the basis for the development in the Mackenzie Valley. We're saying that those words should also apply in Foothills' approach to the situation here in the Yukon.

Q Okay. You are saying though, Mr. Olthuis, that from your limited knowledge of the area, that you have made these two assumptions in points one and two on the basis of what you have been told or read and they are related strictly to the native people of the Yukon?

A It's based on my analysis of the Foothills' socio-economic statement. Their socio-economic policies and undertakings and so on. Analyzing that, I come to the conclusion that the Foothills' analysis is faulty for the six reasons I've mentioned in my evidence.

Q So you don't agree with me in other words, that these two statements are related strictly to the native peoples?

A I would say particularly to the native peoples, yes. Now, it is not my place, that is the place of the Commission to listen to all the people of the Yukon and listen to what they're saying about what they want. But, it's not my understanding that one can look at the situation and say, all non-native people favour the kind of development proposed by Foothills and so on.

Q No, exactly, but you don't want to say that on the other hand, that all the people are against it and that's what you're saying here?

A Well, the statement of CYI is very clear.

Q Oh yes. But I'm not worried about CYI statements, I'm worried about statements you've made. Those are unclear.

A Well, the statement stands on its own there, I think, Mr. Morrison, and --

Q Well, I'll finish -- will you agree with me that these are related strictly to the question or -- let's put it this way, these are related in fact from the limited amount of material you've covered and are maybe to the best of your knowledge, applicable?

A Well, from the material I've covered, I wouldn't say it's the limited amount of material. I've gone through all the material presented by Foothills, all the socio-economic analysis both in Mackenzie and in the Yukon. I've gone through --

Q Well, you told me on Friday that you didn't know there was a proposal on the hydro-electric, so you haven't gone through it all.

A Well, that's not part of the socio-economic impact statement.

Q No, no. You said all the material provided by Foothills.

A Well, I have gone through all those materials, Mr. Morrison.

Q I have no further questions.

MR. GOUDGE: Mr. Horton for the Territorial Government?

MR. HORTON: Yes, I do have a few questions.

CROSS-EXAMINATION BY MR. HORTON:

Q I'll ask the first questions of you Mr. McCullum. You seem to have been forgotten about for the last little while. In your written evidence, you referred to parallels between what you think might happen in the event of a pipeline project in the Yukon on one hand and various other big developments in -- well, particularly the James Bay and northern British Columbia and northern Manitoba on the other hand.

I was wondering if you could now, particularly with reference to James Bay and northern Manitoba hydroelectric development, try to summarize dissimilarities, that you seem not to have gotten into any dissimilarities whatsoever between those on the one hand and the Yukon.

Now, what dissimilarities do you see that might be relevant?

MR. McCULLUM: The Yukon project of course, hasn't started yet so it's very difficult to know what will happen once the pressures of construction deadlines and difficulties with the terrain, difficulties with the people of the Yukon and so on, are concerned.

What I do know is that in the

case of James Bay and northern Manitoba in particular, that the same promises were made before these projects started, that the impact of the people would be very little, that the great care would be taken with the terrain and the environment and so on, but once the pressures of construction deadlines, labour problems and so on were concerned, that these brave promises were ignored.

Now, there are differences in that these two projects are basically hydro projects. They are crown corporations as opposed to private corporations, but the same basic philosophy pertains behind each one. That is to build these enormous projects as quickly as possible, as economically as possible for the transportation of energy, primarily to the United States and to minimize wherever possible, the impacts, but not to deal with the concerns and aspirations of the people who have always lived there and will always have to live there.

Q Well, would it be fair for me to suggest that one major difference is simply the fact that what is proposed for the Yukon is a pipeline rather than a mass of hydro-electric projects. Do not hydro-electric projects involve, by their very nature, far more disruption of the natural environment -- forgetting about social and economic impacts for the moment, just that natural environment. Surely they involve more disruption of that?

A Well, if the concerns are strictly environmental here today, then I would have to agree with you.

Q Now, I understood this is a socio-economic, yes, but, now, relating surely also, there is a tie-in between social and economic impact on the one hand and the environmental distruction on the other hand. Particularly with reference to the native population.

A I don't think I quite understand what you're trying to say.

Q Well, a hydro project in -- the James Bay hydro project, by wiping out a far greater extent of the natural terrain and the natural flow of the river streams and backing up these lakes and what have you is one thing, whereas a pipeline in the Yukon Territory doesn't involve that, does it?

A It doesn't involve any flooding that I know of, although, who knows?

Q Are you suggesting that there is no connection between the environmental concerns on the one hand and social and economic on the other hand?

A Oh, no, I just was under the impression that the terms and conditions of this, of the , of this particular inquiry was socio-economic primarly and that the environmental concerns in it were being dealt with elsewhere, but I think that the fact that the disruption of the land that affects the native people in particular and that does have a connection with the socio-economic question, but --

Q Okay, what disruption of that nature is going to occur in the Yukon, in the event this pipeline gets constructed?

A Socio-economic?

Q Yeah, as a result of affect on the natural environment. What spill-over into socio-economic is going to occur in the Yukon?

A Well, I presume that one of the major concerns of the people, of the native people here, is the in-migration of great numbers of construction workers that the effects on the economy, the fact that their land claims are not, they're not settled or anything --

Q No, I'm trying to be more specific, Mr. McCullum ---

A Really, I don't understand

what you're trying to say.

Q What social economic impact do you see occuring in the Yukon as a result of the disruption of the natural environment through construction of a pipeline in the Yukon?

A Well, I would assume that the construction of a pipeline across the Yukon would have some environmental impact in terms of the clearing of land, the digging of the trenches for the pipeline, the crossing of rivers, the effect of the migratory patterns of the wildlife, all of these things would have an effect on the people who live here and who rely on and participate in that environment, that would surely have some socio, if not economic, impact on them.

Q You're assuming that would be the case?

A Well, I guess we're all assuming. The pipeline has not been started yet. I mean, it was assumed in James Bay that the, there would not be the disruption that there was, but that disruption occured. It was assumed that there would not be cost over-runs, but they occured. I guess we, what I'm trying to say in my evidence is that the patterns of development, whether they be socio-economic or environment, or environmental, to varying degrees, apply in any of these mega-projects in northern Canada.

Surely, can you predict what the

environmental damage to the terrain or could you predict what the socio-economic damage to the people of the Yukon would be precisely before the pipeline is built?

Q I don't purport to be able to personally predict it with precision, but, well, I'm not necessarily asking you to do it with prediction , but, for example, are you suggesting that there are going to be whole river streams wiped out to the extent that fish production will no longer be possible? Are you suggesting that the construction of a pipeline is going to wipe out wildlife habitats that people now rely on for existence, not for --

A I'm suggesting that these things could occur, that there could be serious impact wherever the construction period of the pipeline occurs in these particular areas.

Q Do you have any specific examples of one for, like wildlife habitats that you think are going to be wiped out, or whatever?

A No, I don't because I would base my evidence primarily on socio-economic impact.

Q Is the demographic distribution of population and what have you, the same in the Yukon as it is in Manitoba, northern Manitoba, or in the area affected by the James Bay project? Are there similarities in the distribution of population?

A Yes, I think there are.

Q What are the similarities?

A Well, there are a number of, substantial percentage of native people who live and have always lived, who have a history and a tradition and a culture, as well as a future, presumably, in the area that is most -- expected to be impacted the most, and that they, these people were not taken into any serious consideration in terms of the planning of the pipeline or planning of any of these projects, that they were -- are in the process -- certainly in the case of James Bay at any rate, in the process of trying to settle and implement a land claim that would guarantee some kind of stability in their future. They -- the people had at least some concern about continuing to live in a traditional way, at least some of them -- or more particularly, they were asking for the right to determine the speed and rate and style at which they would enter into the wage economy. They were all asking for the right to self-determination and the right to have some control over their future. There are dissimilarities, of course.

Q Did the impacted area of the Manitoba hydro project, or the James Bay project, have anywhere near the presence of non-native population, that is the case in the Yukon?

A Not in the case of James Bay, no. There is a substantial non-native population in the area impacted by the Manitoba hydro project around Thompson.

Q The one community?

A Well, it's, what, fifteen thousand people. It's almost the same as there is here.

Q Now, Mr. Olthuis, one of your strongest recommendations is the ten year moratorium. Perhaps it should already be very abundantly clear to me from your presentation why you make that recommendation, but it isn't and I therefore ask you why a ten year moratorium?

MR. OLTHUIS: Well, the -- one of major reasons is, of course, that the Council for Yukon Indians is asking for a moratorium -- asking for a delay, and --

Q You accept their representation that they need that much time?

A Yes, we do.

A second one, I suppose, Mr.

Horton, would be that just the degree of disagreement that there is about the proposed development indicates that any decision to proceed with a development at this time, I think, would be disadvantageous to all parts of the Yukon population. Just the very reason that the process is going on now, and disagreements emerge, and when there are disagreements, it seems that one of the best things to do is to take more time to carefully look at the positions, to carefully look at possible alternatives. That's what I hear the Council for Yukon Indians saying; that there are alternative development possibilities and we would like to have more time to look at those carefully and propose them in the light of, you know, in contrast to possible pipeline development.

Q I'm just a little bit curious. You will accept the Council of Yukon Indians' representation that they need, or argument that they need the ten year, approximate ten year, moratorium, and yet you don't simultaneously believe the Foothills representations to for example, that there would be inconsequential macro-economic impact or their representations related to likely cost over-runs, or their representations related to the severity of adverse impact.

I'm just wondering why it is that somebody's representations are not believed and others are?

A Well, it's based upon my analysis of the Foothills application, as set out in my evidence.

Q Is that based also on your analysis of the reasons for a ten year moratorium, why the moratorium is necessary?

A Well, the moratorium is necessary in our judgment for the people in southern Canada as well as for the people, particularly the native people, who are advancing the argument here.

Q Well, why is it necessary for them?

A The people in southern Canada?

Q Yes.

A Because of the very negative economic impacts that we feel will develop in southern Canada through these reallocation of funds. Paricularly when we are talking about a project which brings no energy to Canada.

Q In the event it should come to pass that the decision is made, there shall be a pipeline through the southern Yukon, and in the event the decision is also made that there shall be a pipeline before land claims are settled, do you see any way that that would prejudice a settlement of land claims?

Just make those assumptions, and answer on the basis of those assumptions.

A Well, I read the evidence presented by the Council for Yukon Indians and look at the prejudice that they say would come, assuming those assumptions, and I would wholly -- whole-heartedly agree with their enunciation of those prejudices.

Q Well is it going to effect the availability of land for setting aside, or whatever occurs ultimately, in a land claims settlement?

A Certainly, that's the position of the Council for Yukon Indians. Statement on page --

Q Well, do you have some reason for thinking that other than it is the position of the C.Y.I.?

A I think Mr. McCullum's evidence of what has happened in every other project of this kind where that has happened, indicates that there ought to be, you know, grave concern about that. I think that's a grave concern for many people in southern Canada that we have in fact prejudiced the rights of native people by going ahead with these projects and ignoring their pleas for more time to work out their alternatives and to negotiate the kinds of settlement that will be satisfactory. So, yes indeed.

Q Well, it's one thing to see that prejudice when you're talking about hundreds of square miles being flooded by dams in Northern Quebec, but what about a pipeline?

A Well, the evidence Mr. Horton, of CYI, very explicitly states the prejudices that they believe will come in that eventuality and we believe that to be the case.

Q In the latter part of your evidence, you get into the problem of in-migration. I think there's probably only one or two questions I want to ask you about that.

Can you think of any reason why government, be it Territorial or Federal, could not impose controls that would either prevent totally or at least mitigate, the horrors of in-migration that you predict will occur? I ask you that partly because I believe you do have legal training and are a lawyer and therefore, maybe have some idea of what government can do and cannot do.

A Well, the major thing I would say is that government cannot control irrational behaviour and as Mr. Gibbs was saying the other day, a lot of people in Canada seemingly have the right to go where they please and move in the country where they please. On the basis of the Alaska experience, particularly the fact that the Alaska Government did say one year residency is

required in order to get a job on the pipeline. They did set up project intercept in the South. They did try in a number of ways to control in-migration and I was very impressed by the evidence of Messrs. Boorkman and Weinstein related to the fact, yes, you can do something, but in-migration is irrational. There is a boomers kind of psychology that cannot be controlled.

Secondly, one of my major concerns in that respect is the fact that if in fact, the economy of Southern Canada is going to be damaged as we believe it will by this re-allocation of funding, then you're going to get depressed economic conditions in the South, a higher rate of unemployment and that is going to create more pressure for people to in-migrate to the Yukon to try and take pipeline jobs.

Q Well, is the Yukon the only place that a pipeline is going to be constructed?

A Well, unless the Government of Canada decides to build all the pipelines as a solution.

Q No, but even on this proposed route, the Yukon isn't the only place where the line is going to be --

A Oh, certainly not, but we're talking about in-migration to the Yukon in terms of the section to be built through the Yukon.

Q Well, you've given one example of how you see what's happening in the economic scene down South, having an effect. You predict an adverse effect on in-migration up here. Is it not also possible that things might be happening simultaneously down there, that they're going to tend to decrease the amount of in-migration?

A I don't think so. You've got for example, the Syncrude project where there was a hire Edmonton policy and the evidence that I've read before this Inquiry is that each day, there is approximately four hundred people still coming up to the Tar Sands to inquire about jobs, even though everyone knows there is a hire Edmonton policy.

These policies do not -- because of the irrational boom psychology, people are going to come where the action is.

Q Where are they going to stay?

A It's my judgment on the basis of the Alaska experience, that many of them are going to stay for long periods of time hoping that it won't take the initial answer of no job as a solution. They will stick around and attempt to find some employment because they know their prospects back in the South are no good.

Q Well, the local hire

law in Alaska gave them a positive inducement to stick

A The local hirement law in Alaska was a residency requirement of one year.

Q Yes.

A One of the things that concerns me is that Foothills is not recommending any residency requirement. I know in the Mackenzie Valley, the one that they recommended was, anyone who happens to be in the Mackenzie Valley on the date a certificate is given, would be considered a resident of the Northwest Territories.

I notice in these proposals, Foothills is simply saying well, that's up to government. I would think that if Foothills were serious about discouraging in-migration, it would strongly recommend say a much longer period of residency. Such as say, a five year residency requirement.

Q I was just going to ask you. What sort of residency requirement would you recommend?

A I would think a minimum of five years, because you have the situation where people who were told that you can only be hired by the South, realize that there is also hiring going on in the North. So people can come up as they did in Alaska and simply get residency requirements. It started out at least

get residency requirements by simply getting a drivers' licence. Later on, in March of 1974, the Department of Labour began issuing certificates of residency and yet in 1975, Alaska drew the largest number of in-migrants of any period during pipeline construction. So even the certificates granted by the Department of Labour of the Government of Alaska did not go to mitigate the problem to any extent.

Q Was it even intended to, or was there a policy simply to encourage hiring of local -- of Alaska people, rather than to discourage in-migration?

A I think the policy was directed to both as it is in the Yukon.

Q Okay, are you suggesting that Government is completely powerless to impose any sorts of controls on either Foothills or its sub-contractors, or on the population at large, related to mitigating in-migration?

A No, there are certain things that can be done, but what Foothills is proposing be done is the same as proposed in Alaska and it didn't work in Alaska, and I see no reason why it's going to work here.

Q Okay. Your interpretation is that Foothills is proposing the same thing as what happened in Alaska, but our -- let's forget about Foothills, let's think of the problem at large.

What do you suggest can be done to discourage in-migration?

A I don't think anything can be done to really discourage the kind of irrational boomers kind of psychology that brings in-migrants. That that's a fact of life in terms of large scale projects at

this kind.

Q You think there is absolutely nothing that Government can do?

A They can't, they can't, unless you want to establish something akin to a police state.

This proposal, everyone in southern Canada knows about the proposals to build pipelines in the North, and it's the kind of project that the public information about the project is widespread. Everybody knows about it, and that will lead, I think, to a much greater type of in-migration than took place in Alaska. Everyone knows about these projects.

Q So you have got no specific -- I thought you had mentioned that you did have some ideas of what government could do to discourage in-migration, but you have got no suggestions at all?

A I don't think the government can really effectively do anything to discourage in-migration.

Q On page seventeen of your evidence, you refer to what you argue are assumptions underlying Foothills' analysis. The first two assumptions are the ones I am particularly interested in.

What is faulty about the first

assumption? Assuming that that assumption has in fact been made by Foothills, what is faulty about that assumption?

A The main thing that's faulty about those two assumptions is what I have outlined in the third item. That you can infer from these changes that the changes in the material culture, that there has been a resulting shift also in attitudes and expectations which are interpreted as meaning that the native community has basically the same kinds of goals and aspirations as your average southern Canadian.

Q Well, do you question that there has, in fact, been at least substantial, if not revolutionary, change in the lifestyle over the past twenty-five or thirty years?

A Yes, I think that's true. But the caveat on that is what you can infer from that.

Q Yeah.

A And I am saying that you cannot infer from that that the native people have been successfully assimilated and acculturated into acceptance of the white value system.

Q But if the assumption is in fact made, however one arrives at the conclusion, that there has been substantial change, then you agree that that is correct, that there has in fact been

substantial change? What you and Foothills might quarrel about would be the inference to be drawn from that?

A Yes, it's basically number three that -- that's the key to those first three, --

Q And --

A -- that the interpretation of what appears to be the case on the surface is inaccurate.

Q Well, was it faulty, is it faulty also to assume or to conclude that the change in lifestyle has been pervasive including introduction of new foods, housing, clothing, tools and equipment, new educational system, et cetera? I mean insofar as that is a conclusion of fact. Are you suggesting it is faulty?

A Obviously there have been those changes, but the problem is the inference that one can draw from those changes.

Q The problem of cost over-run. What factors would contribute to cost over-run?

A Well, I think the major factors, obviously, are the cost of construction of the pipeline on a per mile basis. That the estimates given for construction costs when these projects were conceived, did not indicate any difference between the construction of an oil line or a gas line. So that the

experience of -- in Alaska, in terms of the oil pipeline, is to be taken very seriously, plus the fact that the companies, including Foothills, are really saying that in terms of cost over-runs they may well have to -- well, there has been approaches as I understand it to the American Government, and that in certain instances it came out in cross-examination before the National Energy Board that there may well have to be certain appeals to the Canadian Government in terms of Foothills (Yukon) as well.

Just an under-estimation of the costs, mainly due to some of the factors that Dr. Helliwell mentioned that are quoted in my evidence.

Q Well, you simply adopt Helliwell's assessment?

A I mention there that I think that Helliwell's assessment is to be taken very, very seriously.

Q None of your own, on the basis of whatever degree of expertise you have in the pipeline construction business.

A No, I think that the analysis that Helliwell has done of this is the most realistic assessment --

Q So you accept it?

A Yes.

Q Well, again I ask you, what factors is it that cause cost over-runs?

A Well, just all the factors connected with pipeline construction. Increased cost in terms of supplies, running into difficulties in terms of your time schedule so that different sections of the pipeline take longer to construct and so on. Labour -- there's no labour contracts been negotiated yet. No one actually knows what those labour contracts will call for in terms of wages and benefits and so on.

Q And of course, they get re-negotiated, too, or there's the possibility, isn't there?

A Yes, they do, and with that re-negotiation, may well come very increased labour costs. So, on each item, there is some estimate at the present time of what the cost will be, but the best example we have of actual construction costs for a pipeline, would be the construction costs in Alaska and the pattern is for the Alaska project and

the James Bay project, that the projects cost ten times the initial estimates of what they would cost --

Q That would be on the assumption that things are done the same way on this as had happened in Alyeska on the construction of that project?

A Well, you're constructing miles of pipeline and the costs are based on north of 60. It cost Alyeska ten million dollars a mile, and the ---

Q Well, why? Again, why, for example, what caused their cost over-runs? Are the same factors that induced the over-runs there going to apply in the Yukon?

A I certainly believe they are. There's no reason to suspect that they will not, because it's pipeline construction.

Q Does the passage of time have anything to do with it?

A I think the passage of time may escalate the possibility of cost over-runs.

Q Was that in terms of the effect on interest rates for borrowing money?

A No, just in terms of the actual increased cost of supplies and --

Q Yeah, but why do the costs of the supplies go up?

A Because of inflation and

other factors.

Q So that would be a factor of increased time? Taking more time to do the job than originally predicted?

A Well, that, yes, that would certainly be related to it. It would be one factor, but the --

Q Paying for it in 1990 dollars instead of 1977 dollars?

A Yes, that would be one factor. I think there are numerous factors that you can look at in --

Q So would you agree then that that is a factor that has to be balanced against the need or desire for a moratorium?

A No, I would not --

Q Why not?

A Because the positive interest that we're talking about here is an interest of serving the United States.

Q Well, is that self-evident?

A It certainly is from the project. It's going to bring gas from Alaska to southern United States.

Q Well, might it not be possible that by getting American gas to the United States, it relieves pressure on using Canadian gas to feed the American

market?

A Well if Foothills' proposal has included a cutting-off of exports to the United States, I suppose one could say that, but it hasn't.

Q But Foothills' proposal doesn't exist in isolation from everything else happening in the world.

A Well, that's the only thing we've got to go by. I suppose that's one of the main factors that we're saying, no, it does not exist in isolation. It's very connected to southern impacts as well as northern impacts. It's very connected to the total national and public interest and our conclusion is that it is contrary to the public and national interest.

Q But is it not, is it not possible, for example, that the federal government might be able to take advantage of the existence of this Foothills' proposal to bring about a realignment if you like, of the whole export of gas? Something to the benefit of Canada and indirectly the Yukon?

A I've had no indication that that's part of any Foothills' proposal nor part of any government strategy.

Q But it is a possibility, isn't it?

A Anything's possible.

Q It's a realistic possibility, isn't it?

A I wouldn't say it's a realistic possibility, no.

Q If something like that did occur, it would -- the proposal would then be one to be seen in the light not just of moving American gas from Alaska to the United States, but something in the whole context of the total national energy policy, wouldn't it?

A Sure, it would be part of national energy policy that we would applaud if the government of Canada decided to ease back on exports to the United States. That's one of the things we advocate.

Q So then theoretically, this whole proposal might be one means to achieve that?

A I don't connect the two at all.

Q Are you -- did you assume that the El Paso route is environmentally preferable to the Alaska Highway route and also in terms of social and economic impact, preferable to the Alaska Highway, or a Mackenzie Valley?

A I make no assumptions about that, that's the job of the American government and American commissions to assess that.

Q Well, you use it as a plug

in, as a plug in your, or a link in your argument that this Foothills' project is really an American project.

A Very much so.

Q But if the El Paso route is really not a good alternative even in terms of Canadian national interest. What about that?

A Well, we're saying that the Canadian national interest will not be served by a land bridge across Canada and that it's up to the Americans to determine, once we've told them that, that you're not going to have a land bridge across Canada, it's up to the Americans to decide what decisions they will make.

Q Whether to fly the gas or take it El Paso or what?

A Whatever you want.

Q Have you addressed the possibility that the El Paso route itself might have -- may not be in Canada's own national interest because of problems associated with that route?

A Well, what types of problems are you referring to?

Q Well, the environmental risks of the tankers chugging up and down the Coast is one.

A Every large scale project has immense negative impacts.

Q Does the proposed route not also set the stage for possible future routing of Mackenzie Delta gas - Canadian gas down South?

A Well, as I've indicated, I think what would happen if the Dempster Lateral were chosen later on to transport Canadian gas, is that in fact, you would be doubling the negative impact in the Yukon. If the choice was made to build the Mackenzie Valley Maple Leaf project, you would have the same thing, so that what in effect we would have, would be two major pipelines cutting across the North with equal negative impacts.

So that's not a solution at all. In a major consideration in terms of those possibilities, is the unlikelihood that the companies associated with

Foothills would be able to finance a Dempster Lateral or the Maple Leaf project as a sequel to the Alcan. There is much evidence related to that in the National Energy Board record, and that's particularly the case in terms of cost overruns or difficulties that Foothills may run into in terms of the Alcan project.

A You've delved at length in your presentation and also in answers to questions from Mr. Morrison about the whole phenomenon of diversion of capital. I'm just wondering whether you do have figures showing the total available capital in Canada on the one hand so that one can make a comparison between it and the amount of Canadian capital that would be going into financing the Foothills' project or any other major northern pipeline project. But particularly the Foothills one, since that's the one we're talking about.

A Well, the major criticism that we have of the econo-metric and cost benefit studies done by Foothills is that they are not comparative studies. In other words, they say this is what would happen if we built a pipeline,but there is no indication of what will happen to other sectors or regions of the country with that re-allocation of funding.

Q I realize that. I'm just wondering whether you have figures that can form the basis of coming to the conclusion that there would in

fact, be a diversion of capital?

A Well, there will be a diversion of capital, that's clear, because the capital is presently employed in other ways in the economy. So it's accepted by Foothills, by their economist, by the people who developed the TRACE model, if that is the case, but what the TRACE Model does not tell us is from where, what sectors of the economy and so on, the funds will come.

The conclusion that one reaches is that the funds will come from smaller business, from possibility of further development of farming, fisheries and so on in Southern Canada.

Q Well, those are the inferences that you are drawing. All I'm asking is whether you have figures that support the inferences, that's all.

A Well, I've not done any econo-metric studies, no. We feel that's the task of the applicants and that the applicants have not done the job in any satisfactory way, because it's not a comparative type of analysis.

Q Are you assuming that all of the capital investment money will be coming from Canadian sources?

A Not all of it, no. There is a breakdown of what's coming from United States --

Q Well, are you making

any assumptions about what the breakdown is?

A Well, no, I'm basing it on the evidence that Foothills has put forward plus what has come out in cross-examination, namely that there will be approximately 3.8 billion dollars of Canadian funds over a five year period employed in the construction of an all-American project.

Q Do you have any estimate of your own of the amount of money presently invested in the Yukon or already earmarked or potentially earmarked for the Yukon that will be diverted from other things to pipeline construction?

A Well, the funds that will be coming into the Yukon, most of those will be leaving the Yukon. That's why one of the national economic advantages that Foothills puts forward is the creation of these three new billion dollar corporations in Southern Canada. They're not located in the Yukon or in Whitehorse. Those funds will be allocated from the head offices of those companies in Vancouver and Calgary.

Q Yes, I realize that. That's the argument you're making. I'm wondering whether you have any sort of nice little economic data or nice little data on the number of dollars presently invested in the Yukon or earmarked for investment in the Yukon that could be available for the other preferable uses as you

interpret the other preferable uses?

A You mean monies invested here by the applicants?

Q No, monies from wherever, that instead of being used in the way you would like to see them used, are going to be diverted to the investment in the pipeline.

A Well, as I understand it, there will be -- the only offering that Foothills is making in terms of equity participation in the project in the Yukon is that Yukoners will be given the first right of refusal on equity ownership, but that that will be on the same basis that equity shares will be available to people in Southern Canada, except the only difference is that Yukoners supposedly will be given the first, you know, the first opportunity to invest.

That of course, is not going to be investment coming from native people.

Q We're still kind of skirting around the point I am trying to get at. It's part of your argument that one of the reasons why this whole pipeline proposal is not a good proposal is that it diverts such huge amounts of money from preferable uses to construction of a pipeline?

Now, I am in effect asking you do you have any idea how much money is going to be diverted from preferable uses in the Yukon to this pipeline?

A Not directly, no. I would imagine that the transfer payments arrangements between the Government of Canada and the Government of the Yukon might very much be a factor in terms of if the development of the economy in the south are as we suggest they will be, it may affect the amount of transfer payments coming from the Federal Government into regions like the Yukon.

Q But you make no suggestion -- you've got no information or no facts to present about the amount of money, Yukon money, or money available for investment in Yukon that is going to be invested in pipeline, instead of other things in the Yukon?

A I don't think anybody has those facts available.

Q So then how can we infer that there is in fact development money for the Yukon

that is being diverted from preferable uses in the Yukon to a pipeline?

A Well, what we're saying is that if the funds would be put to alternative uses in the Yukon, the contribution to the Yukon economy would be greater than the present because the present allocation is for a project where there would be very few construction type jobs, and those construction type jobs are of short duration, and that the permanent jobs, the one hundred and eighty-nine permanent jobs, which Foothills says will be created in the Yukon, a hundred of those will be people situated here in Whitehorse, and they are mainly jobs that require a high level of skill. That's the same case for the twenty-two jobs in each of the regional offices. Those are jobs that mainly require a high level of skill, and I think if we look at the precedents in other projects, very few of those jobs will be taken by, perhaps even Yukoners just using that as a term, and certainly none for native people.

Q Well, okay, you make -- in the beginning of your answer, you seem to make a big assumption that if this money was invested in the Yukon for other things, are people lining up at the door to invest it in the Yukon for other things. You know, the prospect of a pipeline seems to have created positive inducement for some of this money to come flowing in, but the money -- who is

proposing to start shipping the investment into the Yukon to create employment in the Yukon, et cetera, if the pipeline isn't built?

A Well, we're suggesting that that's one of the things that this Inquiry could suggest. That there be a moratorium so that there could be the development of alternative possibilities for economic development which could be looked at alongside and in comparison to the one project that is now being proposed.

I take it from the evidence that the Council for Yukon Indians, that that is one of their concerns as well.

Q But, right now, is there anything else that would, as an alternative to the pipeline construction, induce that amount of money to come into the Yukon and be put to what you would regard to be preferable uses?

A Well, you have to look at it in relative terms. You have to say what positive economic contribution will the pipeline make to the Yukon on a long term basis. We don't see any when you look at the number of jobs created in construction, the short term nature of those, the number of permanent jobs created in terms of the amount of investment going into it is extremely minimal. So that any alternative use of that kind of capital through programs that are given some time to develop will be

preferable for the advancement of the Yukon economy.

MR. HORTON: I have no further questions.

MR. GOUDGE: Mr. Hudson for Foothills Pipe Lines? Arctic Gas indicate they have no questions, sir.

CROSS-EXAMINATION BY MR. HUDSON:

MR. HUDSON: Mr. Olthuis, you are a lawyer, is that right?

A : Yes, sir.

Q And I take it from that then you're not -- you have already said you are not an economist?

A No, sir.

Q You're not a political scientist?

A Not by training.

Q No. And you're not a sociologist?

A No, sir.

Q And I believe you first arrived in Yukon last week?

A Yes, sir.

Q You have not been here before?

A No, sir.

Q Your knowledge of the Alaska situation, is that extracted from your reading of testimony of Messrs. Boorkman and Weinstein principally?

A Their report and their cross-examination before the National Energy Board.

Q Yes. Now you haven't then, I take it, had occasion to discuss this situation with the native people in the Yukon who are heavy duty operators?

A No, sir.

Q Or are in the contracting business?

A No, sir.

Q Or have inter-married with members of the white population of the Yukon?

A Not, not in a -- certainly in casual conversation, I have, but not in terms of --

Q Not in terms of a detailed discussion of the project and the effect of it?

A No.

Q All right. Could you turn to page sixteen of your presentation, please?

Some of this has been covered by Mr. Horton and Mr. Morrison, so I will try and be brief.

On page four, I mean number four,

paragraph number four, you state in quoting from the application, "Yukon communities in general, and Whitehorse in particular, becomes less unique in the Canadian context and the lifestyle of Yukoners became less different from that of many rural or small town Canadians."

You go on to describe that as a statement that "the Yukon is marching down the road toward modernity."

Firstly, let me ask you, is that an incorrect statement, the one you quote?

A I don't believe so.

Q You're not criticizing because it's incorrect?

A You mean whether it is a correct quote from your application?

Q No, I checked it. You have quoted correctly. I am saying are you stating that Foothills are there stating something is a fact which is not a fact?

A Yes, I am.

Q In what respect?

A I'm saying it's not a fact in that the position of the native people as I understand it, from the submission of the Council for Yukon Indians, is that they still do have a very unique way of life, unique goals and aspirations that have not simply

been acculturated and acclimatized into what we call a southern way of life.

Q But this refers to whole communities, doesn't it? And that's all it refers to? It doesn't preport to delineate between the native and non-native communities.

A And that's one of the difficulties with it.

Q But, you agree with me then? That that's what it says?

A No, that the suggestion in the paragraph quoted is that this is a, you know, the general trend --

Q In the communities?

A That these communities are that way without enunciating a distinctive type of development or growth and aspirations of the native segment of the Yukon's population.

Q You would prefer that they had put it right in that paragraph, is that correct?

A I would have prefered that it would have been dealt with in the Foothills' application in one way or another.

Q What?

A That fact that there are different concepts of the -- different concepts of what constitutes progress in the Yukon and that basically what Foothills is assuming is that there is one sort of homogenous

view of the kind of development that is necessary and that a critical factor that was omitted is the fact that the goals and aspirations of the native people of the Yukon do not seem to fit the pattern that Foothills says exists.

Q That's your opinion on the reading of the Application, am I correct?

A And the evidence of CYI.

Q I see, all right, we'll come to that later.

But, you do agree, I think, that as far as the communities in general are concerned, they have become less different from many rural and small town Canadian communities?

A No, I wouldn't agree with that.

Q I see, you wouldn't agree in the time period in question there has been a change in the housing construction to be more like that in the southern Canada?

A Yes, I think Mr. Hudson, we're getting into the whole matter of a description of certain things that have happened and my point is that one cannot infer from that description that there has come with that a change in values ---

Q That's an inference you're making, you've zeroed in on a paragraph and I'm asking you why you

say that's incorrect.

A And I think I've answered, I've answered that, because it's sort of a --

Q Well, you didn't answer me --

A It's a blanket, it's a blanket general descriptive analysis which I think does injustice to the unique positions being put forward by the native peoples.

Q It's a very small part of the application, isn't it, that you've quoted here?

A Well, yes, one always quotes small parts --

Q You won't agree then that the housing methods have changed to a more, more like the southern areas?

A Yes, I would, but I don't infer from that ----

Q I'm not asking you to infer anything, I just wanted to know whether you would agree there's been that change.

A Sure.

Q And wouldn't you agree that the services provided - sewer and water - have changed in recent times so that they're more like southern Canada?

A To a certain extent, sure.

Q And other facilities such as mail service, community centres and television and radio have been added to the background of Yukon communities to make them more like southern communities.

A Well, to make them more like southern communities, I wouldn't --

Q With the result that they are more like southern communities:

A I wouldn't draw that conclusion, no.

Q You wouldn't.

A Because I think you're leaving out of it --

Q I'll get to --

A Well, but to me they're very closely interconnected and we can't, you know --

Q We're just dealing with this paragraph . You won't agree with me that there's been a change in the years in question, that there, it's now a fact that the Yukon communities are more similar to those in southern Canada of a rural nature?

A I think that's, you see, that's one of my problems, you can't just take off the top layer.

Q You can't take one paragraph and make an inference from that?

A You can't take the top layer, saying we look at the communities and we see certain types of services and see certain types of houses and there fore, draw the conclusion that in fact, you know, there's been this change in lifestyle.

Q As a whole community.

A I don't accept that, no.

Q As a whole community?

A No.

Q All right. You've discovered since you've been here that that's untrue, insofar as the communities are concerned?

A I've certainly discovered that the values, the goals and aspirations and the values

Q Of who?

A Of the native people --

Q Thank you.

A -- are such that this statement inaccurately describes what as happened.

Q On page seventeen, Mr. Olthuis, you have this statement here:

> "If we accepted as legitimate the Foothills technique of simply equating what is or what appears to be with what people actually want,"

Now, I want to ask you where, in the Report or in the Application, do you find a specific

statement of that technique?

A It's the -- it's the type of behaviouralistic analysis that is basic to the Foothills' analysis. It's an analysis of we see certain things happening, therefore we reached the conclusion that native peoples are less unique and that they've adopted white goals and aspirations rather than native goals and aspirations.

Q That statement, that technique refers only to native people, is that what you're saying?

A Yes, it's particularly to that, to the aspirations, goals and aspirations of native people, yes.

Q Well, when do you then infer that when the Application speaks of people they're referring only to the non-native segment of the population?

A One of the problems I have with the whole application is that the particular goals and aspirations of the native people are not distinguished from what you would call the general trends and patterns in the Yukon and I think that that's the critical fault in the whole analysis, that you have not done that.

Q Now, would you look at -- you have 5.a there,do you, the socio-economic statement?

A Yes, I do.

Q Look at page 3.14, would you?

A Three point one four?

Q Yes.

A That's the large impact statement?

Q Yes.

A I don't know if I have -- 3.14 -- mine are all five.

Q Pardon.

A My page numbers are all five.

Q 5A. 3.14. It's all 5A. The whole thing is 5A.

A What tab is that?

Q That is after the historical overview yes. The second full paragraph on that page and this is dealing with the current situation I believe you'll agree. Principles of restraint or caution--

A I'm sorry, I don't have --

Q 5A, 3.14. On that page is this statement, "Principles of restraint or caution to northern development are not new, but in 1973, they became major issues in Yukon with the presentation by the Yukon Native Brotherhood supported by the Yukon Association of Non-Status Indians, their brief on Indian land claims to the Prime Minister of Canada.

In this document, the natives expressed their historical and current grievances associated

with non-native encroachment on Indian culture and land based activities."

I put to you, that that is contradictory to the technique that you're inferring, is found in the application. Would you agree with that?

A No, I would not.

Q Why not?

A Because this is -- the whole socio-economic analysis is based upon a description of the fact that there has been this acculturation of the native people into the mainline southern way and that the last step remaining in that type of acculturation, is the settlement of land claims.

To me, the settlement of land claims as I understand it from the position of the Council for Yukon Indians, involves a recognition of their goals and aspirations, a recognition of the right to self-determination and a recognition of the fact that they wish to maintain a unique role in the development of the Yukon and that the land claims should not be taken as the final step towards sort of -- the final step towards the acculturation process which is the context of your socio-economic statement.

Q That's your interpretation of it?

A Well, it's the only

interpretation I can give.

Q But doesn't it clearly set out that locally, in the Yukon, the natives -- that is to say, the Brotherhood and the Yukon Association of Non-Status Indians are clearly not equating what exists with what they want.

They want something more than what exists. Doesn't that say that in that page?

A It's a descriptive acknowledgement that they are negotiating, yes, with the Government of Canada, but the context of what they are actually negotiating for, is the assumption that they have been acculturated and that this is sort of the final stages of acculturation.

Q Well, further on the next page, negotiation was to be the method of finding solutions to the complex, social,economic and political problems besetting the Federal Government as well as the native and non-native Yukoners. Doesn't that show that this is not a final step after accepting a destruction of a culture?

A It's a description I think, Mr. Hudson, of something that is going on, but there is no indication of Foothills full support of the position for the native people, which --

Q But that's not what

you're saying. You're saying they have equated what is with what they want.

A But the postion of Foothills is that a pipeline can be built very quickly and that the native land claims settlement will not be such a problem here in the Yukon. That's Mr. Blair's statement. So, when you describe certain negotiations that are going on between the native people and the Government of Canada, it seems to me that what you're doing is within the context of the total socio-economic impact statement, saying this is sort of the last step towards the acculturation process, when I would think that the acknowledgement ought to be that it's a recognition of the fact that Foothills would fully support or should fully support, the goals and aspirations of the native people and not proceed until those goals and aspirations had been met.

Q You won't agree with me then or will you, that your statement that the Foothills have used the technique of equating what is, with what people want? It's not borne out when one reads the application totally?

A No it isn't.

Q Looking at page seventeen, you use the word 'underlie'. I wonder what you mean by underlie. Do you mean something like reading between

the lines?

A It means the basic assumptions which are expressed in the way the socio-economic impact statement is prepared, namely that we can gather a number of statistical tables and we can make inferences from certain surface phenomenae that in fact, the native people have abandoned a unique set of goals and aspirations in a unique way of life. With the acceptance or say the employment of a skidoo or the going into different type housing, that that means that in fact, they have accepted a white value system.

Q You say that Foothills says that?

A Yes.

Q Or that you're inferring they are saying that?

A I was saying that that seems to me to be the basic assumption made and it is stated in those places that I've indicated on page eighteen, those quotes that I've taken from --

Q There is one quote there. That's the quote you're talking about is it?

A I'm talking about page eighteen.

Q Right. At the bottom of the page?

A No, the first full paragraph there. Paragraph beginning: "Although not explicitly stated, these assumptions are apparent in the Foothills study...."

Q I see.

A I give some examples there of --

Q They are apparent to you.

A And I think --

Q That's all you can speak of, isn't it?

A Well, I think to a lot of southern and northern Canadians.

Q I see.

Now you go on to list some faulty assumptions which underlie the analysis of Foothills. I believe you now agree that the first one, not necessarily faulty,or in fact is not faulty, I believe you told that to Mr. Morrison or Mr. Horton.

A Well, what I said, Mr. Hudson,was that one and two have to be read in terms of

three. In other words, the interpretation given to description is the critical thing, and that's why I begin number three with saying --

Q Right. But just let me bring you back, Mr. Olthuis, I have asked you a question and didn't you agree with Mr. Morrison or Mr. Horton, I don't remember which one it was, that in fact number one is not faulty, that native people of the Yukon have experienced a revolutionary change in lifestyle, particularly over the past twenty-five to thirty years?

A The interpretation given to that event is faulty.

Q Yes, but that statement is not faulty?

A I cannot accept the interpretation from the statement.

Q Who's interpretation?

A The interpretation that I have indicated in three.

Q That's the one, yes. And number two is not, in itself, faulty, is it?

A Well, we can't talk about in itself. It's faulty in that -- in what is inferred from --

Q Well, that's taken care of, you say, by number three?

A -- the factual. Yes.

Q In fact, the evidence from Ms. Cruikshank on one and two coincides with the statements that are made in one and two as not being faulty, but as being things which had occurred.

A I think the evidence of Ms. Cruikshank indicates that her analysis of what the interpretation given to those descriptive events is clearly what I am saying in three. In other words, I took --

Q You can't relate to one and two without three?

A No, that's right.

Q I see.

So number three is what is the gist of your evidence in this series of assumptions?

A Yes, and I took Ms. Cruikshank's evidence to be very strong on those points that you cannot do a socio-economic analysis that way.

Q Would you agree with me that number three can fairly be described as the suggestion of an inference of an assumption which underlies?

A No, I think, I think the assumption is very clear --

Q Well, the way you put it though? You suggest we can infer from the assumptions which underlie? Is that -- that's not fair?

A That's the inference that Foothills reaches by looking at one and two.

Q That's what you infer?

A That's what Foothills infers.

Q Is the assumption that underlies?

A Yes, that's expressed in one and two.

Q Then again, you confirm that they are not explicitly stated, none of these things are explicitly stated, they are your assumptions?

A Well, a lot of things are implicitly stated. One has to look at the socio-economic analysis and -- in view of the fact that the assumptions are not anywhere stated clearly. One infers from the way it's done, certain things. These are the things I infer from it.

Q Now, you make it, I think, somewhat of a conclusion on the bottom -- towards the bottom of page eighteen that Foothills is assuming that the instinctive native culture is dead and is trying to lead the Inquiry into that conclusion, or whoever reads this application?

A Yes.

Q Now would you look at page 3.3, bearing in mind that this is an historical overview and proceeds chronologically.

A I have that.

Q All right. Now that at the top of page says, you were referring, I believe you will agree to the native people, "that their unqualified reliance upon the land compelled the aboriginal inhabitants to live in close harmony with it."

A Yes, I see that.

Q "They were required not only to respond readily to changes of the environment, but also to study and understand it." To that point in time that surely is not an indication that a culture, that a land based culture is dead, is it?

A Well, that's in the historical overview section.

Q Yes, and that's what you are referring to, fifteen page historical overview, et cetera, right?

A No, I am referring on the bottom of page eighteen to the conclusion that that historical -- the traditional historical ways have disappeared and what you now get is a --

Q All right. I'm taking

you through that, Mr. Olthuis. You understand, I think, as a lawyer, that I'm not asking you to do anything but answer the questions as they are put, okay?

A I'm suggesting --

Q All right. You agree that that doesn't indicate that a native culture is dead, rather it indicates what the native culture was based in?

A It indicates, yes, that that had been part of the native culture.

Q And then the reference at page 5A - 3.4 and this is the one I think you are talking about,"from this ancient, well-ordered and self-sufficient culture, the life of the Yukon native has changed drastically in the last century." I take it from that that there is a statement that it is dead, that this ancient, well-ordered and self-sufficient culture, is dead?

A I'm taking the statements that I have indicated on page eighteen as some of the examples of that indication, plus the quote from 5A - 4.3.

Q Right. Now on page 5A - 3.7, dealing with times after the gold rush, is this quote "it took twenty years for the Yukon population to return to a state of equilibrium with the land and economic base." Would you agree with me that that is not an indication that the land based culture and economy is dead?

A Well, I think if you read --

Q Well can you just talk about that phrase for the moment?

A I think in the total context of this socio-economic statement, I can only read on the basis of Foothills' conclusions that in fact you are talking about a process which has meant the acculturation of the native people and that native culture is dead.

Q That is epitomized on the quote that you have at the bottom of page eighteen, is that correct?

A Yes, that's one of the epitomes of it, that, in your evidence.

Q And on page 5.a 3.8, is this statement: "The natives continue their trapping activities in the winter. Since fur prices remained high up until the 30's, notwithstanding the construction of Indian cabins near trading posts, the seasonal work in the wood camps and the establishment of missions and residental schools, strong elements of the basic social organization and coherence of the traditional lifestyle remain."

Would you not agree that that's an indication that the traditional way of life is surviving, not dying?

A Until the 30's is some recognition of the fact that it was there.

Q All right. Page 5.a 3.9, this statement" "While an abundance of work in dealing with post-highway construction -- while an abundance of work and a shortage of labour had drawn the natives to the highway during its construction, its service and maintenance provided them less employment opportunity.Lacking entrepenurial sophestication, the Indians were also unable to identify and take advantage of many opportunities brought by

the Highway". Would you not say that that's a statement that the native people were not giving up their native culture and not finding it possible to identify with the new form of culture they were seeing?

A I think Ms Cruikshank's evidence about the impact of the Alaska Highway goes into details on that impact on the native communities.

Q But that again is a statement which does not support your view that this section indicates the death of the Indian culture.

A Well, I wouldn't say that at all, Mr. Hudson.

Q Why not?

A Because the entire socio-economic statement and particularly exemplified in the sections I have quoted, is very much to the point that a process has taken place through which the native people have acculturated and the statement I've quoted on the bottom of page eighteen, "while the different customs of the various groups exert a variety of influences on Yukon communities, the population generally appears to homogenous with many common values and ideas". Which indicates that --

Q I'll get to that.

A -- it's much like, you know, a southern situation.

Q All right. Then on page

5.a 3.10, describing the natives, post highway, again: "They lived on the fringes of the large communities, however, non-natives found a decreasing use for Indian labour and assistance and embarked on a way of life increasingly alien to that of the native." Do you not see that as an indication that there remained two or more cultures?

A Sorry, that what?

Q Do you not see that quote as an indication that there remained two cultures, or more?

A I -- it's the historical process that Foothills says has gone on towards acculturation and just picking out certain sentences like that is -- I think those sentences are put within the context of the acculturation process, not a recognition that there is a distinctive native way of life.

Q Did you think I'm leaving out some sentences?

A Pardon?

Q Do you think I'm leaving out some sentences?

A Well, you're leaving out, of course, large, large sections and you were leaving out, sort of where the whole thing goes. That's my critical point, that these sentences do not, do not acknowledge the importance of the distinctive way of life, but are put in the acculturation model, That there's been this acculturation

process which is in various stages of completion.

Q Then you say on page 5.a 3.11 -- not you, the Foothills say, that, "However, in the community at large, the newcomers generally did little to encourage native participation in the new, predominately non-native society". In other words, would you not agree that that's a statement to show that there is no encouragement to native participation to involve themselves in a non-native society?

A I think that's the kind of statement that should be taken as indicative of the kind of you know, native participation there might be in pipeline activity.

Q And then we come to the other phrase, which I've already put to you about the presentation of the position of the Yukon Native Brotherhood and the Yukon Association of Non-Status Indians, and you did agree with me, I think, that is a current thing which expressed the concern of the native people for their historical and cultural grievances, but that it should be given great significance because it's the tail end of a historical death of a culture.

A I suppose if you had ended up by saying "and Foothills fully supports that", it --

Q Oh, that would have been better?

A Yes, quite better.

Q You're aware, are you, that this, what's referred to here, in this brief, is the document "Together Today For Our Children Tomorrow"?

A Yes.

Q Which spells out the concerns and the goals of the groups putting forward the brief?

A You're simply acknowledging that that's what they've done. You're not giving any indication of support for that.

Q No, but I'm putting it in context of you saying that you read this and say that Foothills is trying to put forward that the culture is dead.

A Very much so.

Q You still say that this --

A Yes, yes, I do.

Q And then you come to the quote in which you say supports the concept that Foothills is putting forward the idea that this Indian culture is dead and the quote that you have is at page 5A 4.3, which goes into the contempory perspective of the section. And the quote is: "While the different customs of the various groups exert a variety of influences on Yukon communities, the population generally appears to be homogenous with many common values and ideas". Now you take that to be the epitome of the position taken by Foothills that the Indian culture is dead, is that correct?

A Taken with all the other statements, yes.

Q I want to ask you why you didn't put in the next sentence? Which is: "There is, however, one exception to this observation, the native population, encompassing as it does, the disproportionately large share of economically disadvantaged people, exists in general contrast to the rest of the population. While the Indians have played a significant part in the historic development of Yukon communities, the special importance of this population can be seen more recently in their endeavours to settle their land claims". Now, why didn't you put that following sentence in this quote?

A Well, because, Mr. Hudson, that sentence to me is indicative of the kind of land claim settlement that Foothills looks at namely as the end of the acculturation process, rather than as a unique statement of a native way of life that is unique in terms of it's institutions and so on.

I take what the Council for Yukon Indians and so on is saying, is that this is the beginning of a reversal of a process that has been very damaging to us, and in the context of Foothills application it is seen as the end of an acculturation process, and that's the very critical difference.

Q You infer that from what I have just read, do you?

A I infer it from the position that is taken in terms of land claim settlements, and the refusal to accept that a period of ten years would be the kind of a period that would be necessary in order for what the CYI says they want to do, to be done.

I would take it that if your statement was in support of the settlement of land claims, you would be endorsing the statement of CYI and calling off the project for at least ten years.

Q You have testified here that the statement which is in your brief reflects the presumed statement by Foothills that the Indian culture

is dead, and that you have placed a quote in your brief, and you have left out the phrase, "there is however, one exception to this observation, the native population", and you are saying that you did that intentionally?

A No, I'm not saying that I did that intentionally.

Q Was it inadvertent?

A I quote a certain section, I suppose I could have quoted the entire application --

Q But don't you think the first words of that change radically the part you have quoted?

A No, I don't Mr. Hudson.

Q Okay.

A In the context of Foothills application --

Q No, I just wanted to know, you say no you don't think it does. Fine thank you.

MR. CHAIRMAN: Mr. Hudson, on the underlying assumption that a cup of coffee would assist the process, can I draw the inference that this would be a good time to take a coffee break?

We'll adjourn for ten minutes.

MR. GOUDGE: Just before we

adjourn sir, I have very briefly three quick things. First of all I have a list of those participants who are getting copies of the transcripts. They know who they are, and they are to pick up copies of the index to the transcript at our office. It is now available.

Secondly, I have copies of Mr.McKinnon's presentation which I have distributed to some, but perhaps not all of the participants. It will be made later today. I have additional copies here, and there are further copies in our office.

Thirdly, there is another study that we have been provided with, that has been commissioned by the Department of Indian Affairs, which I will file with Ms. Hutchinson, in order that it can be examined by any of the participants that want to do so. It's information gathered and summarized concerning fifteen communities in the Yukon Territory and was prepared by Huguette Giard, G-I-A-R-D.

Lastly, sir, if there are any members of the public that would like to pose some questions to this panel would they please speak to me at the break.

(INFORMATION GATHERED & SUMMARIZED CONCERNING FIFTEEN COMMUNITIES IN THE Y.T., HUGUETTE GIARD, JUNE 1977, MARKED AS EXHIBIT NUMBER 97)

MR. CHAIRMAN: All right, we'll

adjourn now.

(PROCEEDINGS ADJOURNED)

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. CHAIRMAN: Ladies and gentlemen, I understand we are ready to proceed.

Mr. Hudson?

MR. HUDSON: Thank you, Mr. Chairman.

CROSS-EXAMINATION BY MR. HUDSON (CONTINUED):

MR. HUDSON: Would you look at page nineteen of your presentation, Mr. Olthuis?

You state there that "it is central to Foothills approach", do you have that in the second paragraph?

MR. OLTHUIS: On page nineteen?

Q Yes.

A No, I don't have the words that "it is central to" --.

Q At the end of the third line of the second paragraph.

A That's not on my page nineteen.

Q The first full paragraph.

A Well, on my evidence, the first full paragraph on nineteen begins "Foothills

behavioristic approach".

Q Oh. Well, that's the paragraph I mean.

A Oh.

Q That's the second paragraph on my copy. I don't know how that happened.

A Okay.

Q And then the third line of that paragraph "because central to their approach is the false idea that it is more important to regard only surface phenomenon what people wear, where they went to school, and to interpret what people do, rather than to listen to and on or what people say". Do you have that?

A Yes, I do.

Q I take it that's your inference of what is in the application?

A That's my conclusion that the approach taken by Foothills indicates that the acculturation process has taken place and that that's based upon a look at the surface phenomenon without listening to what the native people say their goals and aspirations are.

Q And you go on to say in the next paragraph, that they failed to even include a discussion about the real goals and aspirations of the native people in the Yukon. So that's the same thing, is it?

A Yes.

Q Would you agree with me, that where the reference, to which I have already referred you, to the brief presented to the Prime Minister concerning the goals and the grievances about the historical and current inroads into their culture takes place, that that is a reference to those things which you say are not present in the application?

A It's just acknowledging that that is taking place. It's not in any way saying that we should base our socio-economic analysis on that. The socio-economic analysis is based upon intepretation of the surface phenomenon not based upon what the Council for Yukon Indians and the other organizations say.

Q But your statement though is that they have failed to even include a discussion about the real goals and aspirations, and I'm suggesting to you that they have referred you to the document -- they have referred the reader to the document wherein those are specifically set out.

A That's not a discussion of the goals and aspirations, Mr. Hudson. It's simply an acknowledgment of the historical event.

Q You would want Foothills to make a judgment would you?

A I would want Foothills

to say that we should use that as the basis for our analysis of their goals and aspirations, and not use the other acculturation approach.

Q The behavorist approach, you describe it?

A Well the behaviorist approach leads to the conclusion that acculturation has taken place.

Q Totally? That's your opinion?

A I think it's clear in your conclusions that that's what has happened.

Q My conclusions?

A The conclusions of Foothills and Company.

Q Notwithstanding that they have totally separated it as an exception to the homogeneity described in the Indian culture?

A They haven't done that. They really haven't done that.

Q All right. You said on page twenty-one that the Foothills assessment of impact on the existing infrastructure is carried out on the basis of the assumption that the only people who will come to the Yukon will be people with jobs on the pipeline. Looking at 5A, 5.7, would you not agree with me that there is there a reference to thirteen hundred and eighty people who will come -- who will not be working on the pipeline?

A On 5A, 5.7?

Q Yes.

A The statement to the population increase?

Q Yes.

A Yes.

Q You'd agree with me that there is that statement, so that your statement is inaccurate to that extent?

A Yes, that's based upon the, I guess, the inclusion of the fact that for dependents, I believe.

Q No, it's more than that. It's a factor for an in-migration to replace the Yukon people that went to the pipeline?

A Yes.

Q So that would be both heads of families plus their dependents?

A Yes.

Q All right, you agreed that that is there. Then you refer on page twenty-two, to a description of the Alyeska project and dealing just with your statement there, you describe the population of Yukon, the population of Alaska, and then you say it seems only logical to conclude that the impact of a pipe line on a much smaller popultion of the Yukon will be proportionately more devastating.

I'm asking you to agree, that haven't you left out of the equation there, the size of the pipeline project as being an integral part of the conclusion that you are reaching?

A Well, there is five hundred and twelve miles of pipeline proposed in the Yukon. There was seven hundred and thirty-nine miles I think of the Alyeska line.

Q Yes, but in terms of work force, don't you agree that that should be included in there to make a correct equation?

A Yes, but if we look at the work force that was predicted for the Alyeska, they predicted a total of nine thousand direct jobs and the actual figure was twenty-four thousand. So if we in-

clude that kind of escalation in terms of number of people required to work on the pipeline project and triple the number that Foothills is estimating. That factor should be considered as well.

Q I see, -- go ahead.

A Plus the fact that the secondary, the number of secondary jobs in Alaska we up to about thirty-six thousand, so their predictions the number of people required to work on the pipeli quite inaccurate. They discovered as they went alon that many more people were required.

Q And you equate any accurate estimate from someplace to a conclusion tha there must be an inaccurate estimate at a later time when inaccuracy of that earlier estimate is known, is that correct?

A I'm saying there se to be connected with all these projects, a kind of under estimation at the outset of the requirements that develo during the project itself.

Q The general statem that you make?

A Borne out by the last few major projects, James Bay and Alyeska.

Q But it's not borne out by any pipeline construction in the Northern Alberta

or British Columbia though is it?

A I don't think the situation is comparable.

Q Not at all?

A Not, no. Not in terms of the conditions that one encounters in pipeline construction.

Q What conditions?

A Permafrost, discontinuous permafrost and --

Q None of that is found in pipelines that have been constructed in the northern provinces to date?

A Not really, no.

Q I see. Mr. Horton mentioned pipeline expertise. You don't profess to have any do you?

A I've never built a pipeline, no.

Q Have you ever worked on one?

A No I have not.

Q So your answer to my question is no, you don't profess to have any expertise?

A Not in construction of pipelines, no.

A Yes.

Q See that.

A Yes.

Q And first is local resident hire. You later in your brief, describe the local hire provisions in Alaska as being the same as those being proposed by Foothills, is that correct?

A Yes.

Q The hiring halls were in Fairbanks, isn't that correct?

A That's correct.

Q Isn't that not different from the Foothills proposal to have hiring halls for non-Yukoners only outside of the Yukon?

A Well, the crucial link in that is of course, the residency requirement in the Yukon.

Q Right, I'll get to that. Can you answer that part first? Is there not a difference in the location of the hiring halls?

A There is that difference, yes.

Q All right. Now, the residents' requirement -- am I not correct that the residency -- the proof of residency was required in order to provide for the priority treatment to resident applicants

for work?

A Well, as I understand it, many in-migrants came in and they -- even though that there was the one year residency requirement at the outset, many simply applied for a drivers' licence which they could get the day after they arrived in Alaska. On that basis, they presented the drivers' license as indication of residency.

Q I think you misunderstood my question. I'm putting to you that there is a substantial difference between the hiring practices that went on in Alyeska with those proposed by Foothills and that is to say, that the local hire was a preference situation and that the outsiders still had to go to Fairbanks to get a job?

A Yes.

Q Whereas the Foothills proposal is a prohibitory one. The only hiring to be done in the Yukon will be of Yukon residents and that for others, not Yukon residents, they must be hired on outside the Yukon. Do you not see that as a difference?

A Well, the crucial thing is what will be required to establish Yukon residency, because if an in-migrant comes from Edmonton --

Q I suggest to you it isn't. I can get to that, but do you not see a difference in the location of the hiring halls and the use of the residency condition?

A Well, not really, because the Syncrude example is pertinent here. That there was a "hire Edmonton" policy for the Syncrude project and that in no way discouraged people from trekking up to the Tar Sands to try and hire on there.

Q And they were hired on there?

A Some of them were, some of them were not.

Q There was no policy against that?

A Well, there was. The advertised policy was that no, you can't get jobs by coming up here. The way it worked out was that many people did get jobs

by simple trekking up there.

Q So you're simply saying it won't work here?

A That's correct.

Q But you do agree that the policy in Alaska is different from the one proposed here?

A It depends, I think, Mr. Hudson, on the residency requirements, because the "hire Alaska" or the hiring halls in Alaska, the way it was, was that many people, in-migrants, did establish the residency requirements and qualified to be hired on a preferential basis in Alaska because of the driver's licence they presented. But, in fact, many of the people hired were people who had just been in Alaska [illegible] possibilities in Alaska.

Q And you're saying, are you, the government, the authorities here cannot possibly learn [illegible] in Alaska?

A I think there's something that can be learned from it, Mr. Hudson, but I was very impressed by the Boorkman/Weinstein study about the [illegible] ecology, that denies all [illegible] government or industry to promulgate it, and rational [illegible]

Q [illegible] the evidence of Boorman and Weinstein [illegible] there is [illegible] Alaska [illegible]

control which he does not expect to find in Canada? To which one it was, this is their testimony.

A Well, I think the degree of government planning is dependent upon the expected impact. If Foothills is saying the expected impact would be minimal, government planning will probably be based upon that kind of assessment and when, in fact, the in-migration takes place, the State will have inadequately prepared for it the same as in Alaska. Their evidence was that people were talking in Alaska about the very minimal impact and preparations were made on that basis and when it turned out that the number of in-migrants were much higher than anyone in their -- I mean, I think the Boorkman/Weinstein estimated, and their's was the highest estimate, something like probably 50,000 in-migrants, that was the very highest estimate and it turned out to be 100,000. So, it was inadequate planning in terms of infrastructure to handle that and --

Q My question was, do you not agree with the evidence of Boorkman and Weinstein that there is less willingness amongst the people in Alaska, historically and currently, to accept planning and control than he would see in Canada?

A Well, they made it very clear in their evidence that they weren't speaking, they could not speak about the situation in Canada, so Mr. Trusty was the ---

Q But on this point they were clear? You don't agree?

A No, I don't think so. I think Mr. Trusty testified, related to that.

Q And you take your information here about Project Intercept from Boorkman and Weinstein?

A Yes.

Q All right, I won't waste your time on that.

On page --

A Strange bedfellows are made when you move from Inquiry to inquiry.

Q I take it you're an expert on that, Mr. Olthuis.

Would you agree with me that the smaller population in the Yukon would enable the authorities to better identify Yukoners than the people in Alaska were able to identify Alaskans, at that time? Just to gross number.

A I'm not sure of that, I think a larger infra-structure is better able to handle in-migration than a smaller one.

Q I'm just talking about the identification of Yukoners. You might be able to get a committee of three to stand at the door of the application office and be able to tell us of their own knowledge whether

a person was a Yukoner or not. That couldn't possibly have happened in Alaska.

A Well, part of the Foothills evidence is that that's no longer the situation in Whitehorse, that people don't know one another any more and that that's not the case.

Q They don't know one another anymore, that's what you --

A The evidence is that whereas it used to be that people knew one another and could identify one another in the streets, that that's long gone

Q You accept Foothills evidence?

A I accept Foothills evidence on that point.

Q Now, you've stated that this job will likely carry on, if it proceeds at a time of national unemployment and I'm just suggesting to you that the project itself provides for work in other parts of the country, other than the Yukon. Would you not change that direct testimony in view of that fact?

A The testimony is that the number of jobs created will be less than the number of jobs destroyed through their reallocation of capital.

Q That's a different testimony though. I'm talking about page twenty-five where you say "not fair to assume that the lure of a large scale highway visible project offering the opportunity of high paying work will not have precisely the same attraction for the Canadians, especially in this time of high nation-wide unemployment"?

A Yes.

Q Now, doesn't the cycling effect, that is to say the fact that the pipeline portions in British Columbia and Alberta and Saskatchewan will be hiring, alter that statement?

A I don't think so, because I think what's going to happen is that you may get in-migrants coming along the line trying to pick up work wherever they can, and since there will be more in-migrants, you're still going to end up with a lot more in-migrants in the Yukon, even though some of them may have picked up jobs in the Alberta and B.C. sections as they move up.

Q On the bottom of page twenty-six, you state "unless we heed the lesson of Alaska, we will only prove once again that the best laid

plans invariably go by the wayside". Are you saying there that we cannot by looking at Alaska, profit in the planning of this project?

A I think we can to a certain extent, but you cannot plan for -- to contain irrational behavior. That seems to be the critical factor, and that in-migration is basically an irrational phenomenon.

MR. MCCULLUM: Could I say something here, Mr. Hudson?

MR. HUDSON: Sure.

A I think the -- when you take Alaska in context with James Bay in northern Manitoba and Syncrude and all of the mega-projects in the North, that it appears that in the construction phase that very little has been learned, and that this in fact is borne out. If you took Alaska in isolation from all of these other projects, you might say that some profit could be learned from making these mistakes, but you take it in context with all the others and it seems that in the construction phase at least, that very little has been learned.

Q Mr. Olthuis, have you read the evidence of Mr. Templeton and his group? The Alaska Highway Pipeline Panel?

MR. OLTHUIS: That's the one that was just released last week?

Q No, the first one. Back in May.

A No, I haven't. All I've seen on that is press reports.

Q Well, he says at page 501 of his major work, or his group, says that " based on this relevant information, we conclude" that is the relevant information from the Alaskan experience "we conclude that much of the adverse social and economic impact which characterized construction of the Alyeska pipeline can be avoided in the Yukon Territory."

Do you straight out disagree with Mr. Templeton's group on that statement?

A I would have to read the whole report in order to make a comment on that Mr. Hudson.

Q You haven't read it?

A No, I haven't.

Q You would agree, would you, that Messrs. Boorkman and Weinstein indicated that the infrastructure in Alaska was very deficient, even prior to the Alyeska construction?

A Yes, they did.

Q I take it -- would you agree with me that that is not the case here, or do you know?

A My information is that the infrastructure here in terms of the present population is probably better developed than it is in Alaska, but one of the concerns that --

Q Let me just -- would you not agree that it's a lot better than was the case in Alaska before Alyeska?

A I couldn't, you know, a lot better is not a -- what does a lot better mean?

Q Do you mean -- all right.

A I don't know what a lot better means.

Q What were you going to say before I interruped you?

A I was trying to say that one of the interesting things in discussion with Messrs. Boorkman and Weinstein at the Energy Board, was the impact of -- the impact upon infrastructures. In other words, an infrastructure that is presently serving say three hundred thousand people obviously seems better able to absorb in-migrants than a much smaller infrastructure, where on a percentage, if the same percentage of in-migrants come, the smaller infrastructure would be much more seriously impacted than the larger infrastructure.

Q You're quoting Boorkman

and Weinstein?

A That's the discussion we got into in our cross-examination and you would have to refer to the entire transcript on that.

Q Thank you. And they refer to statements by people prior to the Alyeska pipeline that we want every single job that we can get and we want it in Alaska as being indicative of the kind of thinking before that project took place.

Now, are you saying that that is taking place here at this time?

I'm looking at page twenty-seven and the quote from Mr. Weinstein.

A What quote is that Mr. Hudson? Oh, I see. "We want every single job we can get and we want it in Alaska."

I think that's indicative of certain segments of the Yukon population.

Q From what study do you reach that conclusion?

A Well, basically, from sort of the Foothills report -- the Foothills evidence that there probably would be more jobs in the Yukon than they could get Yukoners to fill.

Q I see. That's -- you equate that to somebody saying we want every single job we

can get and want it in Alaska?

A Well I take it you have some basis for making that statement that, you know, you will have more jobs than available, even if everyone who wants a job gets one.

Q That's perhaps more a commentary on the size of the population than the quantity of the jobs?

A I don't know. It's the comment that's in the Foothills evidence though.

Q Then on page 28 you say"the State of Alaska was blindly led down a primrose' path, liberally strewn with company promises and assurances that the benefits of the pipeline would outweigh the problems". Are you stating that the Government of the Yukon Territory is being blindly led down a primrose path at this time?

A I think in terms of what Foothills is saying about in-migration, very definitely.

Q Are you not aware of the depth of the studies that the Yukon Territorial Government are taking on at this time?

A I'm not no, I'm not aware of the depth of them, no.

Q You're aware that we have this Inquiry going of course?

A Yes.

Q That's a difference from what took place in Alaska, am I not correct?

A Yes.

Q You were aware of the N.E.B. hearings? That's a difference from what took place in Alaska? I'm not asking you to make a judgment on the N.E.B. hearings, I'm just saying that's different from what took place in Alaska.

A Well, I think there was a lot of things going on in Alaska, not in the terms of a sort of a formal Inquiry, but there was certainly discussions going on. Particularly between the pipeline companies and the government and it seems that the government took its cue from what the pipeline companies were saying. Namely, that there won't be that much in-migration,

there won't be that much tension on the infrastructure and so on. On that basis, they made their plans and it seems to me that that's what you're telling the government here.

Q That they're being led and you say that as a result of that, they're being led astray?

A Yes.

Q You say the same thing in Alaska is happening here now?

A Yes.

Q In spite of the hearing -- this hearing, the N.E.B. and the -- you're not aware of the community visits of this hearing, and as well, the applicant's personnel?

A Very much so and we very much hope that this Inquiry will reverse that pattern so that it doesn't end up like things did in Alaska.

Q I see. But you will agree with me that the same thing that happend prior to Alyeska, is not happening here in the Yukon today? There are differences.

A No, I wouldn't say there were many differences. I think the major difference is the Inquiry and I think that's a very important difference and we would hope that the Inquiry's results would reverse what we hear the company saying in terms of

impact and in-migration and so on, that your evidence will not be accepted.

Q Then you say in your evidence, when you say today, the same thing is happening in the Yukon; Foothills is saying there is no need to prepare for negative impact because there won't be any. That's your evidence is it?

A That the you're talking about in terms of in-migration minimal that there is not much need to prepare

Q You're saying that Foothills is saying there is no need to prepare for negative impact because there won't be any?

A Mmm'hmm.

Q Right?

A Basically, that's correct, yes.

Q And you say that do you, in the face of the opening statement of the impact, that the applicant recognizes that it is neither reasonable nor possible for the pipeline project to pass through Yukon without impact?

A Yes --

Q That's on Page 5.1?

A Yes, because --

Q You make

A You go on -- the application goes on to state that there is a recognition that impact will be based upon the number of in-migrants. The number of in-migrants that Foothills is suggesting very minimal, so -- and the statements about what we're going to do about it, really amount to we're going to discuss these matters with the Territorial Government so on; we're going to look at some hire south progra so on, but I have not seen any developed progra me to the conclusion that the situation will be any different than Alaska.

Q Therefore you say, Foothills is saying there is no need to prepare for negative impact because there won't be any. That's you say Foothills is saying?

A Yes in the total context, I would stick by that statement.

Q Look at page four your presentation would you Mr. Olthuis?

A Yes I have that.

Q Now you say that certain things are explicitly or implicitly stated and that is the catering to American demands in the large scale North American energy or per se, it's not correct to say is it there, explicitly or implicitly, they're implicitly stated in your evidence aren't they?

A Well, the one -- the first one in terms of catering to the American interest, in Foothills' reply before the National Energy Board, the first in their Section J on -- no, it's another -- I'll just, I have it here -- yes, Section A, the Foothills' reply in terms of benefit to Canada from the Alaska Highway project number one is that the project provides a vitally important accommodation to our continental neighbour and largest trading partner. So that's quite an explicit statement related to the catering to American demands.

Q That's in the argument you say?

A Yes it is.

Q They're saying there that, are they not, that trading with a trading partner is good for -- is a good thing for the country?

A But this isn't trading with the United States --

Q They're providing a transportation service aren't they?

A Yes with a large amount of Canadian money to transport their gas. Well, that's --

Q A large amount of American money that's going to be paid for the service?

A Pardon?

Q The large amount of

American money that's going to be paying for the service.

A But the question is, what trade-off is there for Canada. We see the situation as the benefit for the Americans and the negative impact absorbed by Canadians, particularly the northern Canadians and particularly, the northern native peoples in the Yukon.

Q In your recommendations, you talk about a moratorium.

A Yes.

Q And you talk about a ten year moratorium.

A Yes.

Q Were you influenced at all by the evidence of Mr. Johnson in March of 1977 before the National Energy Board which indicated that two to three years was needed to reach a final land claims settlement?

A I looked at the evidence of Mr. Johnson on May 16th, 1977, before this Inquiry, and the evidence given by Mr. Johnson before the Natio[illegible] Board, the two to three years, as I [illegible] the agreement in principle and he made [illegible] agreement in principle is not the same [illegible] the agreement.

Q Well [illegible] 26.339, where he said, "Well, considering optim[illegible] and optimum productivity of the planning counci[illegible] estimation, I would have to reckon that the [illegible] which it would take to arrive at a final agre[illegible] something in the vacinity of two, two and a h[illegible]."

A Yes, but the [illegible] ment, as I understand Mr. Johnson, is not the [illegible] mentation.

Q Well, were you a[illegible] that evidence before you reached your recommendation [illegible] moratorium?

A In certain terms [illegible] particular piece of evidence that we[illegible] In other words, I was aware of Mr. Johnson's statement [illegible] the National Energy Board and aware of his statemen[illegible] Inquiry.

Q Are they two differ[illegible]t things, the moratorium and the final, the time [illegible]

final agreement? In your view?

A No, I think that the time period, as I understand what Mr. Johnson is saying time period for implementation of the project wo period beyond that of the final agreement and that should be no pipeline during the time for implementa

Q This, you

A Yes.

Q And in giving that support did you have any, did you address the evidence smith, concerning the timetable that he saw?

A No, I did not.

Q Not at all.

A No.

Q All right.

A couple of questions for you, Mr. McCullum, if I may.

I believe Mr. Horton dressed you on them. I won't...

You don't see any basic difference, I take it, between the pipeline project proposed he and the more specifically located hydro-electric projects at James Bay and northern Manitoba?

MR. MCCULLUM: Certainly there will be environmental impact differences, in the socio-economic phases in particular, impact on native people wh

living in the area and who have always lived there, I think that the patterns and the parallels and the philosophy are very similar.

Q In other words, you say socio-economic impact of flooding a large area of count inhabited by various kinds of people is not to be distinguished from a pipeline construction, where the construction moves virtually daily.

A I don't think I said there is a difference in the environmental impact and the socio-economic impact, but, that -- and that the patterns, you know, the actors change, the geographical location changes, but the patterns of construction, the philosophy behind those patterns of construction, are very similar and the fact that the native people are rarely consulted, that they are considered to be simply a problem to be solved and get out of the way doesn't change, either here or in James Bay or northern Manitoba or anywhere else -- Alaska.

Q On page 5, you say these three huge projects in Manitoba, Quebec and British Columbia were, in every instance, planned, announced and undertaken without any involvement of the people who would be most effected, the residents of northern Quebec, northern -- northwestern B.C. and northern Manitoba. Is it your evidence that that is taking place here with regard to the project in question?

A Well, I'm not aware that the

Council for Yukon Indians was called into the planning process by Foothills or AGTL, or any of the other members of the consortium.

Q Okay, you take the word 'planning' out of it. What about 'announced' and 'undertaken', aren't they being, still done --

A You know, --

Q Is there a d

A I beg your pard

Q Isn't there a difference? If what you say is true, considering those projects, there a difference here?

A I don't think there's a substantial difference, no.

Q Okay. Do you not see any difference between the extensive logging operations projected in northwestern British Columbia and the removal of those trees from the Nishga lands as being different from the environmental impact of this right-of-way for a pipeline in this project?

A Well, there's a specific difference, you know, the trees are bigger in northern B.C., for one thing, but I think the similarity or the pattern is still the same, that the concerns for the land that belongs to the native people is not taken into consideration, it's simply something that you get out of the way as quickly and as cheaply as possible. Now the Nishga people, for example, have had their

volley logged for almost fifty years. They haven't got one
back for the logsthat were taken from their land.
see that unless there's a land claim settled and implemented
here that it will be any different for the native

Q In that you're
to payment of use or the removal of land from land
that what you mean there?

A I think I
example. Compensation for past use of the land
part of the makeup of any land claims settlement

Q Right, on
does the pipeline -- in that area only, now, I d
invite you to make an address -- in that area --
pensation for past use of land, does the pipeline

A Well, as the pip
affect the settlement of land claims, yes, it does
out presuming to make an address, I think that
of a pipeline across the land that belongs to
ple of the Yukon will prejudge the kind of settle
are able to effect.

Q But couldn't
tion for prior use of land be handled, not withstandi
pipeline?

A Yes, I think it

Q Now, page sixteen,
let's look at page thirteen, first, where you

blue, less than six years ago, a political decision ta[illegible] a place as remote to most Cree and Inuit as Central Africa, [illegible] changed their lives beyond --"

A What page are [illegible]

Q I'm sorry, pag[illegible]

A Yes, I have [illegible]

Q "Out of the [illegible] six years ago, a political decision taken in [illegible] to most Cree and Inuit as Central Africa, has [illegible] lives beyond recognition forever and no one [illegible] them how they felt. It was deemed to be in [illegible] est." You're not saying that that describes what's [illegible] place with respect to this project are you?

A Well, if you are suggesting that -- this Inquiry is certainly asking the people how they felt, but I don't think anybody asked them very seriously before this Inquiry was set up.

Q Very seriously?

A No.

Q Now, would you look at page sixteen please? You there describe the scenario of the effect of the development on aboriginal people or native people?

A Yes, I believe so.

Q Would I be correct in presuming, what you are describing there is a first impact. That is to say an impact by development which comes into an unpreviously impacted native community?

A No, I'm describing the scenario of a continued series of impacts, if one impact doesn't kill you, give them another one to make sure it's -- sort of does you in.

Q You're talking here about the effects of an impact, such as James Bay where they go into an area well removed from highways and provide a first impact?

A But not well removed from impact. There had been an impact in James Bay prior to the construction of the hydro development project.

Q You're talking here of people leaving their villages to go work on a project or to collect into larger groups --

A No, I'm not talking about that as a result of a project, I'm talking about that as a result of government policy where the government policy was to drag people in off the land into villages.

Q I see, for the purposes of government, so as to make administration --

A Well, the impact of a non-native society on native people.

Q You make a statement on page seventeen when you talk about"the white man's image of the dirty, lazy, shiftless native person too often results from a basic racism which is rampant around northern construction camps and towns." And then you say "Yet this demeaning portrait is often, we were told, fostered by the very minority of native people who are seriously attempting to survive." I don't understand that statement as to who you are referring to there?

A The point that I am trying to make is that there is a basic attitude or cast of mind towards native people by many non-native people in construction areas. And that there are a small number of native people who have opted for a wage economy, or have opted to work on these kinds of projects which foster that.

In other words, people are saying there's a few that have pulled themselves up by the boot straps, why can't they all do it.

Q I see.

A And we're suggesting that that still is an essentially a racist attitude.

Q Now this -- you say here that this basic racism, which is rampant, is occurring presently in Watson Lake, Teslin, Haines Junction and Whitehorse?

A Could you direct me to where I -- ?

Q Same paragraph

A I said -- I think what I said here is that there are concerned people who would say that the phenomenon that we are describing sound very much like --.

Q Are you saying that that is the case?

A I'm saying that that is my impression from observation and from discussion with people here, yes.

Q What people have you talked to about it?

A Do you want names, or ?

Q No, I don't need names.

What types of people are saying that there's basic racism rampant in Watson Lake, Teslin, Haines Junction or Whitehorse?

A Well, I think all you have to do is to engage in discussion with many people in the North, whether those are examples of towns in the North, who's image of native people is that they are irresponsible, lazy, shiftless, drunken, and --

Q How many people from Teslin have you spoken to to get that impression?

A Half a dozen I suppose.

I didn't say that every individual in the North said that. I said that this is an attitude that you find around construction projects and in the kind of frontier mentality.

Q How many -- what evidence do you have that that takes place in Haines Junction?

MR. JOE: Excuse me, Mr. Chairman, the evidence that was admitted into the record by Mr. McCullum do not specifically mention Watson Lake, Teslin, Haines Junction, or Whitehorse. I think if one were to check the transcripts that would be the case.

MR. HUDSON: Well, he was short-cutting the reading due to the constraints of time. The evidence is here. Isn't that the position, Mr. Chairman? He may have omitted that whole paragraph he's

reading, I agree.

MR. CHAIRMAN: That's my recollection Mr. McCullum, that it was agreed that your statement in it's entirety would go into the transcript and that you adopt --

MR. HUDSON: It was a condition that Mr. McCullum put on it, as a matter of fact.

MR. MCCULLUM: Yeah, I'm not, I'm not --

Q How many people in Haines Junction have told you of basic racism?

A Well, I guess my observation of the numbers of people in Haines Junction are half a dozen. I'm not conducting a sociological survey when I say this. I'm using this as an example. I think if you read the whole sentence there, are concerned people who would say. You know, I think you are taking it out of context now.

I spent considerable amount of time in all the communities mentioned.

Q Have you any idea, Mr. McCullum, as to how many people who would be represented by the CYI are involved in the wage economy now totally, and how many are involved partially?

Do you have any idea?

A I don't think I would

have specific figures. No, it would be a substantial or a number of them.

Q Now, on page eighteen at the third paragraph, you say "As more and more people move into large communities where job opportunities do not exist and a land-based livelihood is impossible because projects and environmental change have driven the game further away...". Would you agree with me that the situation in Yukon with relation to the Alaska Highway is that the people moved away from the game than the people?

A Does it really matter I mean, how they were separated from the game?

Q Well, would you agree with me, I have to ask you to answer the questions.

A Well, I was fairly young when the Alaska Highway project was built, so I'm not sure whether --

Q I see.

A The point is that they were removed from the game.

Q And you don't -- on page nineteen, you're asking a question, but I take it you simply don't believe that because a highway has already been built here, the socio-economic impacts would be less? You just don't --

A Will you refer me to the passage you're talking about?

Q Top of page nineteen. Starting on page eighteen.

A Would you ask me the question again, I'm sorry.

Q Yes, you say -- you pose a question, but I take it from the fact that you posed the question, that you don't believe that simply because a highway has already been built, there would be less socio-economic impact here?

A Well, I think from the evidence of Ms. Cruikshank, that the impact of the highway, that the people have not yet recovered from the impact of the highway and that to impact them further, certainly would do very little to assist in their general development as people.

Q Well on a comparative basis, you don't agree that the construction of this line on the Alaska Highway would have less socio-economic impact than in a location where there was no such highway? You just don't agree with that, is that correct?

A I think it's a question of the degree of the impact. No, I guess I don't agree with you.

Q Okay. On page twenty and twenty-one, you state that -- talking about projects in general, that in most cases, they start out simply as lines drawn across a map. Are you stating that that's what took place in this connection?

A I would strongly suspect those, so -- just judging from the number of lines that were drawn across maps in the very great number of applications that Foothills made, to build various kinds of pipelines across the southern Yukon, this is not the first one, the one we're dealing with now.

A And you judge from

that, that it's simply a line across a map with no input into the habitation, human or otherwise?

A I think the lines are drawn across the map and then the studies are done. The people of the area or the people who are the long term residents of the area are certainly very seldom considered or consulted while the lines are being drawn across the map. I think that's the point I'm trying to make.

Q But you would agree with me that you haven't any evidence to show that there was no consideration given to the habitation on the location where such a line is drawn?

A No, I don't agree with you at all. My understanding from a great number of conversations with people including some at Haines Junction and Teslin, is that they were not consulted before the lines were drawn across the map at all. In fact, the plans were very far down the road before the native people ever even heard about them.

Q But your statement here is that the line was drawn, utterly ignoring the fact that human beings occupy the land?

A That's my -- I stand by that statement.

Q You do?

A Yes.

Q Do you have any evidence to support that that was utterly ignored?

A I think I just finished saying that from discussions and conversations and consultations with a great number of native people in the southern part of the Yukon, that they were totally unaware of the plans that Alcan, Foothills or anyone else had for them before they read about it in the newspapers or heard about it on the radio.

Q And that's your support for that statement?

A Well, that's reasonably adequate support I would think.

Q I have no further questions for this Panel. Thank you Mr. Chairman.

MR. CHAIRMAN: Mr. Roland?

MR. ROLAND: Yes.

CROSS-EXAMINATION BY MR. ROLAND:

Q Mr. McCullum, first dealing with you and your observation that there were approximately one hundred natives employed on the James Bay project from a work force of something in the neighbourhood of seven thousand, are you aware whether the natives were anxious to work on that project or -- and attempted to do so and were denied access to jobs? Or on the other hand, were they not anxious to work and that low number

simply a reflection of their lack of interest in those jobs?

MR. McCULLUM: My understanding is that a number of native people around places like Chabooqamoo were interested in working on the project. They were not hired for quite a number of reasons. Some of them being that they could not speak French, others that they did not have the qualifications for many of the jobs that were available and also, that they did not have the cultural work habits that the construction companies and sub-contractors demanded.

Those who did wish to work, very few of them were hired or were kept on in any kind of permanent basis. I believe the figure still stands.

Q I see, so that then I take it, many natives did apply or attempt to fill those jobs and were unsuccessful in doing so?

A That's my understanding in some of the larger more impacted communities.

Q I take it from your observation, we can presume that you are suggesting jobs should be structured and work conditions developed to make pipeline employment as attractive as possible to native people?

A I think if the applicants to build a pipeline, are going to make statements that native people will be given serious consideration in

hiring, and that the cultural conditions that the native people are accustomed to, should be taken into consideration and that they should be structured that way, yes.

Q I see. Now, am I correct --

A That would mean, if I could just expand, that perhaps the fact that people might want to work on a seasonal basis or as the hunting, fishing and trapping seasons are in force and so on, that these would be considered and not just considered as reasons for dismissing people if they go off hunting.

Q And the jobs and working conditions structured accordingly.

A That would be my..

Q Okay. Now, am I correct in saying that there was a -- as I understand it - preferential hire clause for local residents in the James Bay area, particularly natives, in that agreement, in the James Bay agreement, giving natives some preference for jobs?

A That's true, but unfortunately, the agreement has only become law a matter of weeks ago, so that the project is now very considerably down the way and I have no information in the very short period of time that the agreement has actually been law as to whether more people have been hired. I suspect not.

Q Well, was there any attempt to enforce that clause in the agreement, as far as you're aware?

A Not to my knowledge, no.

Q And there was no structure created to facilitate the enforcement of it?

A Not to my knowledge. No, my understanding of the agreement which was only finalized in 1975, when the project had been underway for some time previous to that, that no further native people than the average hundred that I referred to in my testimony.

Q Now, turning to the Manitoba Hydro project, I take it that agreement as well, the agreement

for the construction of the project, also contained a preferential hiring clause.

A It was not as explicit, I think the words or the paraphrasing of the words was that native hiring should be encouraged.

Q I see.

A But I don't think it was made a condition of the - since it was -- although both of those projects are Crown corporations.

Q Right. In that instance, was there any organization created in order to ensure that that preferential hiring clause was implemented?

A No, it was all done within Manitoba Hydro.

Q And did Manitoba Hydro develop policies for native employment on the project.

A No, it did not.

Q What was the success rate of natives going to those construction jobs?

A It was very difficult to find out precise figures because there was no indication of whether people were hired on that basis. My understanding is that it never exceeded/more than sixty people. This is information that I was able to get from the Northern Flood Commission.

Q Well, I take it then, as far as you're concerned, both preferential hiring clauses were

unsuccessful in carrying out their intention?

A Completely.

Q And are you familiar with the Alaska situation, where there was a quota system?

A I'm less familiar with the Alaska situation, although I am aware --

Q Do you have any views on the advisability of a quota system versus the kind of preferential hire clause found in the two agreements we've discussed?

A Well, I guess it would be better if it could be enforced. I think the preferential hire clause that were in the -- certainly the one in James Bay -- were quite adequate, but there was no, seemed to be no way of enforcing them. I think that's the question that has to be dealt with in all of these projects is how enforceable are all these magnificant promises that are made, or even the conditions that are imposed on them when you are faced with perhaps a million dollars a day cost over-runs you very quickly forget about the rather laudatory promises that are made in the face of -- that's the problem is economic conditions that determine all of these questions.

Q Now, turn, sir, to your general proposition put forward in your paper, as I understand it, you advanced the case that in many northern project, development project, interests of a small minority were sacrificed by the government, or in the case of James Bay, by the courts, to

the preceived interests of a much larger majority.

A The national interest.

Q Yes, and you've put these cases toward -- in a critical way -- suggesting that the interests of the majority, whether it's a real or preceived national interest, should give way to that of the small minority.

A Well, I think that the rights of the minority are guaranteed under our kind of, our system of government and that the native people themselves perceive that their rights are not guaranteed under the kinds of land claims settlements that are forced on them, under the imminent threat of almost immediate pipeline or hydro-project construction. I think that Mr. Ciacca, from, who is the chief negotiator in James Bay and it's part of the evidence of the Yukon Chamber of Commerce - or Whitehorse Chamber of Commerce is that if the state does not succeed in establishing the principles aimes at assuring the survival of these minorities, it could well happen that we might not even be able to guarantee our own. I think the native people's preception is that their rights as a minority and their rights as the first people of this country, are not being assured in any way in the way in which these land claim settlements are forced to proceed under the threat of imminent construction.

Q So I take it that if a, if an informed and deliberate decision was made by the majority, whether it's the Canadian majority or the Yukon majority popula-

tion, to proceed with the development, you would, you would not think it fit that they should be able to proceed, even though the majority had made that decision?

A I think the way in which the majority makes that decision is quite important, but I think unless the rights of the minority are guaranteed, that we have no right to proceed in the national interest unless there is some guarantee that can be enforced.

Q I see. Now turning to the pipeline itself as a catalyst to the development of a land claim settlement, I take it you are familiar with the theory that has been put forward elsewhere, that but for a major development project, like the pipeline, land claims would not be settled. Even in your own paper you refer to the Nishga situation where for a hundred and seven years, I think you say, those people had been pursuing a settlement and have been unsuccessful to date.

A But there has been development going on in their valley all that time, so I really don't think -- I know that's a theory that's advanced it's advanced by the present Minister of Indian Affairs, that without imminent massive development projects that the native people will never get a land claim settlement. I think that's a rather cynical observation on the quality of justice in this country that the only way you can get a settlement is to threaten to destroy someone.

Q Well do you recognize that theory as having any validity in, for instance, the Alaska situation, where spokesmen for the Alaska natives

elsewhere, I think particularly Mr. Notti before the Mackenzie Valley Pipeline Inquiry, indicated in cross-examination that he felt no settlement would yet be consumated in Alaska but for the Alyeska project.

A I'm familiar with that statement.

Q And I think it has been said by others as well that the James Bay settlement is a product of the development found in that region?

A I think you are also probably familiar with the fact that most people -- most native people in Canada and including some of the people in James Bay, have stated that that is not the kind of settlement that is not acceptable or should be used as a model anywhere else in Canada. Those are statements made here in the Yukon and in the Mackenzie by the Inuit people that that kind of settlement negotiated under that kind of pressure is simply not acceptable.

I think that if I could just --

Q The examples are, I think, raised because the alternative suggested is that no settlement at all would take place but for the pressures of development?

A Well in the case of the people of James Bay, if there had been no decision to build, the hydro -- the James Bay Hydro Electric project, I

think the people would have been quite content to live under the arrangement that they have had previously, and in fact the kind of land claim settlement that they got is not as good as the conditions that they had previously, except that they had no protection. Now they have protection over a miniscule amount of land.

Q You have also, Mr. McCullum, canvassed three major developments, Manitoba, James Bay, and northern B.C., and you have referred as well to the N.W.T. and, I think, to Alaska. Might I suggest to you that all those situations are somewhat different than the Yukon in that all the native communities in the Yukon, except for Old Crow are on a highway. They are serviced by transportation and communication system, and have been for some twenty or thirty years, and that all the interior communities of Alaska, the Manitoba communities, to which you speak, the James Bay communities, and the northern B.C. communities, and most of the N.W.T. communities that isn't the case. Is that a fair distinction?

A No, I think it's -- I don't think it is. Certainly, a number of the communities -- all of the communities in northwestern British Columbia that I'm referring to, are on roads of some sort. It really is only -- certainly the communities of Nelson House and others that I referred to in northern Manitoba are on a road system. James Bay, true, there are no roads there now. Well, there is now, but there wasn't at the time that the project was started and of course, there are some roads in the Northwest Territories.

Q But, most of the communities in Northwest Territories are not serviced by the kind of transportation and communication system that has been in place in the Yukon for many years.

A Yes, that's correct.

Q And that's also so of the interior of Alaska?

A That's correct.

Q You've acknowledged Ms. Cruikshank's evidence that the impact of the highway, some thirty or more years ago, was very substantial on the native communities?

A It would appear to be, yes.

Q And that since then, the native communities in the Yukon have experienced the

influences of white society, largely as a result of that transportation system and continued to experience it daily. It is said that the cultural influences of the white society have already largely impacted the native Yukon population and that a pipeline would not bring the kind of influences in terms of magnitude in degree that the major developments you've addressed in Manitoba and in James Bay and elsewhere would bring.

A I don't think I agree with that. I think that the fact that the testimony of the Council for Yukon Indians and Ms. Cruikshank and others, indicates that people have not yet recovered -- if that's the right word -- from the impact of the construction and further impacts of the Alaska Highway. That indicates that further massive construction projects would only serve to further destroy the quality of life that they are hoping to begin to redevelop with a settlement and implementation of their land claims.

In other words, my understanding from conversations and discussions with the people in the Council for Yukon Indians is that a land claims settlement and implementation of that land claims settlement would hopefully reverse the process of assimilation and acculturation that began, perhaps, with the construction of the Alaska Highway.

Q But I take it, setting

aside the land claims, you recognize that the native communities in the Yukon are different from the other communities in Manitoba and James Bay and interior Alaska, in that they have already once, sometime ago, been very heavily impacted by white society and that impact has continued throughout the period from the construction of the highway?

A Yes, I agree with that, but I don't think that that should indicate that that means a pipeline project would have less damage to the native people as a culture and as a race of people.

Q Okay, well that leads me to another theory I'd like to put to you which I think you're familiar. It's the theory of Paul Bertrand who is an anthropologist and testified, I think, in the James Bay case.

His theory is that the developmental pressures of a major development galvanized and coalesce the native people and had the effect of leading the native people to take charge of their own collective future direction. A major impact such as a pipeline project would be beneficial to the native people because it would create a collective response that would be quantitatively and qualitatively different than the slow acculturation that takes place by accumulative small impacts. Do you have a view on that theory?

A Well, I think it's true that the threat of one of these massive projects on the -- has galvanized the native people in most of the areas that we have referred to, to become aware of the need for some kind of political control of their own lives.

I'm not sure that there is any substantial evidence to indicate that if the threat becomes a reality, that they are any better able to -- that they are able to deal with the results. For example, in James Bay, certainly the fact that the construction was underway before the court action -- the Malouf Court Injunction hearing took place, has not -- and that that ultimately led to a settlement of land claims, I don't think has enabled them to get the kind of political control over the area that they lived in, that has not materialized.

In fact, they are all saying that they were forced to get the best deal that they could out of a bad situation.

I think
that perhaps the threat of imminent construction projects does coalesce the native people into seeking self-determination. I don't think that bringing those plans to immediate fruition is helpful in any way.

Q Those are all the questions I have.

MR. CHAIRMAN: Mr. Joe, did you have anything in the way of re-examination?

Just a couple of questions, if I may and I think it would be preferable if it was possible to conclude this now, rather than after the adjournment. So I'll be brief as possible, Mr. McCullum, if I might just refer you to pages sixteen and seventeen of your prepared evidence.

There you speak in very specific terms about problems that are experienced by native communities. One, you say, about the middle of the page, "Native people we talked with in these projects/areas time and again told us that alcohol or welfare were the white man's most effective tool of assimulation and that leadership was too often destroyed by these twin rights and that people superbly conditioned..." and so on ".. to the land, climate and community suddenly found themselves aliens in their own territory". And similarly on page eighteen, near the top of the page, "The question in our minds whether welfare or alcoholism is the most prenicious form of repression in the North. Certainly welfare keeps people passive everywhere and in the North turns

people into captives of the economic treadmill they find themselves on."

You've identified two problems there and just assuming for the moment that that analysis is accurate and sound, I just wanted to get the benefit, if I may, of your thinking about possible solutions towards meeting those problems and perhaps take them separately, with respect to alcohol as a fundamental problem, what do you see that might be done to address that problem?

A Well, I think there/a number of immediate ways in which that could be addressed. I understand that here as elsewhere there are the beginnings of serious alcohol education programs and alcohol rehabilitation programs, but I don't think until we address the more fundamental questions underlying just rehabilitation or education that the, they can be dealt with. And I think that it's when people feel that they have completely lost control of any decision-making process in their own lives that they have, that decisions are made for them and about them by unaccountable agencies far removed from their own experience, that they feel the hopelessness that is so often associated with alcoholism and until the native people that we're talking about, in particular, can begin to have some control over the, their destiny, some control over the way in which they are going to proceed in society, that they feel that they are important in a decision-making process, that that hopelessness associated with

alcoholism will not only continue, it will grow.

In white society, alcoholism is more and more an almost epidemic as, and I think that in native society where they have no longer the majority of the people no longer feel that they have any real control over their lives, that it will continue to grow. So I think that the development of a land claims settlement that would guarantee the right of the native people to determine their own future, would be one of the most important steps in dealing with this problem of alcoholism, along with the kinds of rehabilitation and education programs that are presently beginning to be initiated, although, in my judgement, not nearly there are not nearly enough or not nearly, nor are they sufficiently skilled enough.

MR. CHAIRMAN: All right. You mention the land settlement in that context. Just looking at the situation of other jurisdictions in Canada, do you find alternative ways of meeting the problem, that is other jurisdictions in Canada where there is no land settlement in the process of being negotiated?

A Do you mean where there have been treaties already signed?

MR. CHAIRMAN: Yes.

A Well, I think that the -- in most parts of Canada, where there are existing treaties, that the process of the treaty and the restrictions of the treaties, and also the way in which the treaties and the people who live under those treaties are governed or ruled by the Department of Indian Affairs has taken any effective form of self-government or self-control, sorry, self-determination out of their hands, and I think it is, here in the North, in the Yukon and the N.W.T. and so on, that the people are saying that that kind of settlement of land claims, that extinguishment of rights, extinguishment of aboriginal title and so on, that those are not acceptable because it doesn't really do any good to say to people well we'll give you so much land, but we will not allow you to control, in any real sense of the word, decisions that affect that land and the people who live on that land. That is why I think the people in the Yukon and the Dene and so on are

asking not only for control of a certain amount of land, but they are also asking for political and economic and cultural control over the events that take place on that land so that they can be responsible for themselves and for the decisions that affect their lives.

MR. CHAIRMAN: Yes, I understand that. But you do see other things that can be done presumably in other provinces, in the provinces, where there is no outstanding land claim to look to.

A In the realms of alcohol and welfare?

MR. CHAIRMAN: Well, take them together or separately, but insofar as alcohol is concerned?

A Well, yes. I think that the education and rehabilitation programs I referred to are important in other areas, but again, until there is some better way of implementing the treaties that exist or, you know, horror of horrors, renegotiating those treaties, that there isn't very much on a long term basis that can be done, because education and rehabilitation will only deal with the immediate symptom. They don't deal with the long term underlying symptom or illness, I should say.

MR. CHAIRMAN: All right, can I ask you to comment in the same way about the second major problem that you have identified, the welfare -- dependents on welfare?

A Well, the areas that I am most familiar with where people have been, for whatever reason, removed from a subsistence kind of economy and moved to larger and larger settlements, where the land surrounding those settlements will not support a subsistence economy that they have been -- welfare has been seen to be the only answer that the government can come up with.

My understanding of a serious land settlement, land claim settlement, would be that people would have an opportunity to begin to develop an economy that would probably, based on renewable resources, over which they would have some control and over which would have some long term stability so that those people who chose to live off the land, or to live partially off the land would have an opportunity to. Those people who chose to enter the wage economy would be able to enter a wage economy over which they had some control and which would be more appropriate to their culture and their lifestyle.

If this economy were under their control, that it might have a better opportunity of becoming stable and thereby reduce the dependecy on welfare to shelter and clothe and feed your family.

Q Do you have any thoughts on what might be done in addition to or in supplement to what might flow from the land claims settlement?

A I'm not sure I understand your question, sir.

Q Well, I don't want to put words in your mouth, but as I understand it on both alcohol and welfare, you looked at what may flow from a land claims settlement, it's a very promising possibility. We're looking at the northern situation in particular now, as opposed to the Canada-wide situation, where that option isn't available or at least is not under discussion at the moment.

My question was whether you saw some way in addition to whatever might happen, in connection with a land settlement up here or in lieu of their land settlement, where that option isn't available, it might meet the second problem that you've diagnosed. That is, the welfare -- dependence on welfare state of affairs.

A I don't think that there is -- I don't think that there is anything outside the kind of land claims settlement that the native people

are proposing that will really adequately meet either one of those problems, because they are symptoms of the underlying illness or the underlying malaise of a people who feel that they have no control over their lives whatsoever and that their uniqueness as a race or as a culture, is never very seriously considered, or if it is, it can quickly be swept aside by enormous resource projects that characterize the economy of the North. So I would think that without a land claims settlement, that there is very little that can be done other than what could be described as band-aid kind of solutions.

Q I understand that. That does paint a bleak picture for those parts of the country where land claim settlement is not under discussion.

A Well, I think that in those parts of the country where there are no land claims settlements, that the situation is pretty bleak and that there are attempts being made -- very serious attempts being made by the people in those areas to better the situation, but they -- well, I'm not as familiar with southern parts of Canada as I am with the northern parts of Canada in that connection.

I understand that they find themselves constantly thwarted by the Indian Act, by the bureaucracy of the Department of Indian Affairs and Northern Development, by these kinds of events to really

have any serious control over their own lives. I understand that it's the position of the Federal Government that they are not interested in re-negotiating treaties or even implementing seriously, major treaty violations.

So I think it is a bleak picture and I think that that's what faces the North if they don't take very seriously, the claims and aspirations of the native people who live here, that they will find themselves perhaps even more seriously impacted if the land claims are not settled. Even more important, if the land claims are not put in place before this kind of project proceeds.

Q Okay, just one more question, Mr. McCullum. Along the same lines, you mention the problems of discrimination that have happened, may happen when native people are involved in construction projects. That's on page seventeen. And, again my question is, what solution do you see or might you suggest in meeting that problem? Or is it simply a description of a problem?

A Well, I think, you know, again I won't flog the land claims answer again, although I think that is the answer, but I think that if for some reason there is, there are construction projects agreed to before -- well, I just can't envisage that we would proceed with these major projects before land claims are settled and implemented. But I think even then, even after the land claims are settled and implemented, that there should be such precise and tough terms and conditions imposed on pipeline construction that this kind of thing cannot happen. I mean the kinds of things to which the corporations will only listen, that they have very, very tough financial penalties for the violation of any hiring practices that would discriminate in any way against native people.

But I have to go back again to what I've been saying here in the last few minutes. That the only real guarantee of that is a just and legislated and implemented land claims settlement before they, the project is allowed to proceed and then that the terms and conditions

imposed by the federal government or the National Energy board, have the kind of teeth in them so that things like the hiring practices of James Bay, Northern Manitoba and Alaska cannot be violated without such severe financial penalties that the companies would seriously not consider it.

MR. CHAIRMAN: I think you've already answered the question I was going to put to you in terms of clarification. You're not suggesting in that passage that because, if that's the case, that a job discrimination or discrimination of some sort is to be expected if native people are involved in construction projects, you're not suggesting the solution is non-involvement of native people in such construction?

A No, but I do think that if they are to be involved it has to be on their terms and that if they have a land claims settlement in place, then they can decide if they wish to participate in this pipeline construction or if they wish to opt out of it. This way, I don't think they really have any serious choice, but if they are presumeably if they have the kind of land claims settlement that they're talking about, then they will have some guaranteed involvement in the decisions in advance of the pipeline construction and also some involvement in the terms and conditions and the policing of those terms and conditions.

MR. CHAIRMAN: I think that concludes my questions, Mr. McCullum, of you. Perhaps just one general one. Do you or your group, is any concern while

recognizing, as I'm sure is recognized on all hands that the land claims settlement is of big importance, that there may be some element of risk in seeing it as a panacea for all social, economic problems, whether they be alcohol, welfare, employment or whatever?

A No, I don't see it as a panacea, I see it rather as the beginning of a process of changing the directions in which the native people have traditionally been dealt with in this country. Certainly, there, undoubtedly there will be many mistakes made and certainly many people will probably continue to drink or to be on welfare for a substantial period of time. But it's a beginning of the reversal of a process whereby native people really had very little else to look forward to and the beginning of a process whereby they can make some decisions about their own lives and that they can be accountable themselves and to their people for those kinds of decisions. I don't see it as a panacea in any way, but I do see it as, without that, the process of assimulation and ultimate destruction, that that's the only thing that really faces the people and the land claims settlement would presumably begin to reverse that process.

MR. CHAIRMAN: Thank you.

Just one question for Mr. Olthuis.

In the prepared evidence, Mr. Olthuis, you speak in pretty graphic terms about the impacts in Alaska on the construction of the Alyeska oil pipeline in terms of the devastating effects and I think, particularly, pages twenty-eight and twenty-nine about the tragic lessons of the Alyeska experience and whether the Yukon would suffer the fate of Alaska.

My question is this, with respect to looking at it from the Alaskan perspective for a moment, with respect to the proposed gas pipeline, do you see history repeating itself in Alaska, looking at the inflationary impacts, for example, or refueling of the inflationary pressures with respect to waves of in-migrants, a repitition of that, a boomer psychology and so on?

MR. OLTHUIS: Yes, I would sir. I would think that, say, if the pipeline were proposed now, many of the existing pipeliners in the families would probably stay in Alaska, and in addition to that, you might get, you would get an influx of new in-migrants into the situation.

I think that's the irrational boom psychology kind of thing that people would say well there's another big project going on and while Alaska is

reeling from this project, and it would take many years to recover it's equilibrium, you know, a second blow would be equally devastating.

I don't subscribe to the sort of philosophy, you know, if you had one earthquake you sort of know how to cope with that, so the second earthquake would be less devastating. I think the reverse is probably true.

MR. CHAIRMAN: In view of that, would you expect that there would be, therefore, quite strong resistance developing in Alaska to the construction of the gas pipeline?

A I think from what I have heard that there is some resistance and, of course, the forces in Alaska seem to be divided between the El Paso -- well, the State of Alaska, as I understand it, is still very much itself favours El Paso. I think that's mainly because it -- they feel it would provide a gas line through a corridor where industry could benefit from the gas and be built up that way. So that that might be one positive side that they could see from a gas line following an oil line, but that in terms of the proposed Alcan -- the route of the proposed Alcan proposal that that doesn't hold true in the same way, so I would expect and from what I have read and seen, not on the basis of any specific studies, but that there is a fair amount of opposition to any particular

type of pipeline building in Alaska.

MR. CHAIRMAN: So the

of once bitten, twice shy, or whatever you would ex

see a substantial amount of opposition to the pipelin

A Yes.

MR. CHAIRMAN: Mr.

you have anything in the way of re-examination

of that?

All right, gentlem

like to thank you very much indeed for your cont

the proceedings of this Inquiry.

(WITNESSES ASIDE: McCULLUM,OLTHUIS)

MR. CHAIRMAN: Mr. Go

MR. GOUDGE: Yes,

three thirty. Hope to see everybody, both pipelin

included.

(PROCEEDINGS ADJOURNED)

PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT

MR. GOUDGE: Mr. Chairman, Members of the Board, if you are prepared to resume, we're prepared with our next witness. We'd be proceeding now with Mr. McKinnon, who has a presentation that has been distributed and has on file some slides which he wishes to show. Mr. McKinnon is, as you know, sir, a member of the Legislative Assembly and has been for some years.

Mr. McKinnon, I wonder if you'd be good enough, sir, to come forward and be sworn by the secretary and then carry forward your presentation.

MR. J.K. MCKINNON: Sworn

MR. MCKINNON: Mr. Chairman and Members of the Inquiry. My name is Ken McKinnon. I am the elected member of the Yukon Legislative Assembly for the constituency of Whitehorse North Centre. I'd just like to take a few minutes of your time, Mr. Chairman, this rather heavy afternoon, to tell you a bit about my constituents, my constituency and their feelings about a pipeline down the Alaska Highway.

I have been a resident, Mr. Chairman, of the Yukon for twenty-one years now. I've lived and worked in each Yukon community and I have travelled through every square mile of this Territory by various means, many times. I'm serving my fourth term, presently, as a Member of the Yukon Legislative Assembly, having first been

elected in 1961.

My constituency contains the largest Indian village in Yukon, it also contains the biggest industrial complex in Yukon and also the residences of the majority of the people who have lived permanently in Whitehorse for a period of ten years or more.

I can only tell you, sir, that if all the other things being equal, two candidates were running for office in my constituency of Whitehorse North Centre -- one in favour of the pipeline, the other opposed -- the proponent of the pipeline would win handily.

Mr. Chairman, I will not and I cannot support the "Domino" theory that seems to be prevalent before this Inquiry that if a pipeline comes through an already thrice impacted corridor, this is the beginning of the end for Yukon -- that hydro development, an aluminum smelter, railroads, new highways - unlimited, unplanned, developmental chaos must inevitably result.

Ironically, many of the people who speak in this manner are originally lured to the Klondike through the romance of the last great gold rush in Dawson in '98.

Yet, Mr. Mr. Chairman, at the height of the gold rush, the City of Dawson, with a population of some 30,000 people was the biggest and most sophisticated of all the western cities, and only San Francisco rivalled her

in the entire west.

The city of Dawson, as the centre of the gold activity developed all the sub-structures and infra-structures to deal with that influx of people.

I can only, Mr. Chairman, that it's perhaps fortunate things were different in the days of '98 or perhaps Dawson may never have happened. The people responsible for providing the hydroelectric plant on the north fork of the Klondike River and for providing the massive pipeline project, which was unique to North American at that time, to bring water to the miners could well still be waiting for the Inquiries to terminate and the permits to be issued so that the gold rush could begin in earnest and Dawson could emerge.

Mr. Chairman, it's the polarization of thinking and the stereotyping of positions emanating from this Inquiry that worries me and frankly, scares me. To be pro-pipeline is to be anti-Indian. To be pro-pipeline is to be an economic expansionist regardless of the costs. To be pro-pipeline is to be anti-conservationist and a partner to the rape of the Yukon's environment.

You must know by now Mr. Chairman, that that's too simplistic and naive. It ignores the subtleties of the makeup of the Yukon that produces this totally unique and fascinating part of Canada. I am for planned, orderly, controlled development where the Yukon people are true beneficiaries. I think that the Alaska Highway pipeline with the proper safeguards and guarantees can be made to fit into this category.

This opinion leaves me no less

firm in my support and belief in a just and expeditious settlement to the Yukon Indian land claims. This has been my sometimes lonely stand since the beginning and it still is. This opinion leaves me no less committed to protecting the Yukon environment and standing alongside the Indian, the environmental and the conservation groups, where I have stood before when I agreed with them and thought they were correct in protesting against unplanned, unneeded development.

In my constituency of Whitehorse North Centre, there are some fifty to sixty homes in the Whitehorse Indian Village. There cannot be more than three to four hundred people living in the Whitehorse Village, yet there are over six hundred Indians on the Whitehorse Band list and an estimation of well over one thousand beneficiaries to settlement in Whitehorse alone. The majority of the beneficiaries to settlement in my constituency do not live in the village, but they are my neighbours who are paying their taxes, struggling with mortgages, watching their kids play little league ball, sitting on school advisory boards, mowing lawns and building fences and all the rest of it.

I did a little survey of my constituency the other night and within several blocks of my home, there were over one hundred beneficiaries to a land claims settlement. You must realize, Mr. Chairman, that there has been over a hundred years of inter-marriage and relationship in a rather isolated and remote area, between

Indians and whites in Yukon.

I believe that over half of the beneficiaries to settlement in my constituency are already presently involved in Yukon's wage economy.

Mr. Chairman, the Indian people of the Yukon have proven themsevles to be tough, practical, resilient and capable of adjusting to a cultural shock to the point where I dare say, few of us could have adapted to.

This makes them no less Indian or proud of their roots and these families know who they are and what they are and are comfortable in the knowledge that they can be at home in two cultures, enjoying the best of both.

Mr. Chairman, at this point I have a few slides that I would like to present to you to show you, or attempt to show you, what I mean. I've been hearing so much by people telling us in the Yukon the way that we live, or the way that we should live, I'm having difficulty sometimes in believing what I am hearing, or what I am seeing. I think because I realize that this is a rather momentous day in the pipeline deliberations that perhaps it would be a little break from the usual, to be able to show you these few slides, if someone could douse the lights on the --

MR. CHAIRMAN: Mr. McKinnon, I think the Board will move around where we have a better vantage point.

MR. McKINNON: Fine thank you.

Mr. Chairman, this was a

family outing that included grandparents, cousins, aunts and uncles and the whole works in the Kluane Park area on the May 24th week-end, not long after your pipeline Inquiry went into action.

It's difficult access into the Kluane Park area and those of us who know and use that area often use the pipeline with a four-wheel drive the existing Haines, Alaska - Fairbanks pipeline as a corridor to gain access into the national park and into different areas where we fish and hike. Actually we prefer the pipeline in this instance being above-ground, because it provides a natural bridge over muskeg and other areas instead of having to get your boots wet.

This is, I'm sorry, I must have missed a slide there, but anyway, this is a little lake that we were going to back of it and it's one of the best grayling lakes in the Yukon. Edi Bohmer and David Joe will undoubtedly recognize the area, and I hope they are sworn to secrecy of where it is. They probably know it quite well.

This is part of the catch of grayling that I was taking, the cousins and the rest of the family, while the old people were setting their nets traditionally in Kluane Lake on this week-end.

This is on the pipeline access, and of course, we put our vehicles on there out of sight because we like to believe, I think, that the

Yukon is un-impacted and it's a romantic myth that people still leave their cabins unlocked and nothing happens. Nothing could be further from the truth, Mr. Chairman, if a truck was left on the side of the Alaska Highway it's vandalized completely. There are none of us who have cabins in the bush who haven't had them vandalized completely, cache's stolen, doors kicked in and last year we had a trailer set up our family at a place called Lucky Camp along the Alaska Highway back in the bush. The windows to the trailer were broken and the stove was taken out of it. So it's hard to believe at this time how things could actually be worse as far as vandalism or entering upon private property along the Alaska Highway could be.

This is at Kluane Lake, it's the same group of kids that I took fishing who are now down at Kluane Lake where their grandmothers and grandfathers are bringing in fish through another method, not as through the net method, and the kids are learning the traditional method of catching fish, of course, and also like the thrill of rod and reel fishing.

As you see in our campground, it's completely traditional from this picture. The stoves are set up on ridge, or the tents are set up on ridge poles and it's a fresh pine needles on the floor of the tent to sleep, traditional cooking over the campfire with the stick method of pots in front of it.

This is not quite such a traditional method. It's roasting marshmallows at the same campfire taken from another angle, where that's my camper in the background. This is an interesting week-end because all of the creeks were running very high and nobody objected in camp, Mr. Chairman, to drinking fluoridated water from the City supply of Whitehorse that was contained in the camper, because it was only the fresh water supply out of many of the creeks or any of the lakes that were running high at that time.

Mr. Chairman, that's all the slides I would like to show you. I'm trying to make the point that I have heard so often an Inquiry about the east is east and west is west type of attitudes, and never the twain can meet. I'm inclined to agree that many of us in the Yukon, many Indian families, the majority of white people in the Yukon do have in essence presently, and are involved and have no problem accepting and living with the best of all worlds.

The point that I make is that the majority of us in the Yukon certainly would like to see these continue.

Mr. Chairman, I have trouble and I cannot and I will not accept the patronizing and condescending attitude of some of the Indian leaders to the Indian people of my constituency that I neither represent them nor do the Indian people understand the political process. If anything has destroyed that myth, Mr. Chairman, certainly the articulateness, the intelligence and the ability of the Indian people who have appeared before this Inquiry has.

Yukon Indian people are fully capable of both understanding and using the present political system and its structures and have proven that capability over the years.

Mr. Chairman, Canadians are appallingly ignorant of the Yukon and it's background. This is fine when we enjoyed our isolation and immunity from "outside" and welcomed to our bosom only those who wanted truly to be "Yukoners."

Things have changed dramatically. Our idyll is over. We're hot, we've been discovered and seem to have been invaded by the most curious groups of probers, analyzers, professional do-gooders, inquiriers, panelists, environmentalists, politicians, bureacrats and sundry others. It almost makes one wish for twelve months of winter or perhaps our assembly should pass legislation limiting the above mentioned to do their work and travel in Yukon only in the months of January and February. What a time-saver

that would be to Yukoners in the summer, Mr. Chairman, and what a money-saver to the Canadian taxpayer overall.

However, it's now essential that we in Yukon tell our story and that we tell it loud clear.

It's been fine for us to sit back and watch the antics of our brother and sister Canadian and move along in a style and manner which suited us. That time has ended and we must react or we will lose the ability to have Yukon develop at the style and pace that all of us who make our homes here want.

We must tell all who will listen that Yukoners as northern Canadians are unique because of their early exposure to economic development. Yukon's development today is highly sophisticated and it is industrial. Yukon residents over the last few years, have become Canada's most affluent wage earners and correspondingly accept the dubious privilege of being Canada's highest contributors per capita to the federal coffers. It is vital for those presently examining us to recognize that the people of Yukon have had four generations in which to develop and perfect the mechanisms in dealing with all forms of government structure.

Another myth of Canada's North that is being attempted to be sold these days to the new group of instant northern experts is that the Northwest Territories and the Yukon are one big northern area with common

needs, backgrounds and future aspirations. Nothing could be further from fact. Unlike most of the Canadian North, the Yukon has political, economic, transportation and communication structures which go back more than seventy-five years. And, of course, the significant geographic differences between the N.W.T. and Yukon have resulted in major differences in both resource development and in the makeup of the population of each Territory.

Mr. Chairman, there are great pressures and disruptive forces at work in Yukon today that would seek to tear us apart.

There has been one answer and one answer only for us. Yukoners have always been best at sorting out their own problems. Because of our unique history, unique methods of solving unique problems have often resulted.

But these solutions have always been brought about in the past and will be brought about in the future by Yukoners working together for Yukon solutions. Not professionals new to the North or bureaucrats in Ottawa making those decisions which affect the daily lives of all of us who happen to love and live in Yukon.

Mr. Chairman, looking back in the journals of the Yukon Council, I came upon this resolution, which was moved by a certain Mr. Phelps, and seconded by a Mr. Lauderville, of Monday, May 6th, 1918. The resolution reads:

"Where as a wholly elective council of ten members was granted the Territory to meet the wishes of the majority of its electors, and after several years in which the system of appointing government officials to the Council was wholly unsatisfactory to the people of the Territory;

And whereas Council has been advised by message from the Commissioner that it is the intention of the Dominion government to abolish the Yukon Council and substitute therefor a simpler form of government;

Be it therefore resolved that this Council respectfully submits to the Dominion Government for its consideration the following:

that considerable sums are raised each year by local taxation, and the taxpayers are entitled to representation in any government levying and expending such taxes."

With respect to the likelihood of cost overruns, that by reason of the distance of the Yukon Territory from Ottawa and the delay and uncertainty in communicating between these places, all local matters should be considered and disposed of in the territory.

That this territory still has vast mineral resources: The people here are familiar with its requirements and have shown their faith in it by investing their money and enduring its hardships for the past twenty years and by reason of such, are entitled to particular consideration from the government.

That this territory has loyally responded to the call for men and money to fight the battles of the empire in which the maintenance of representative government is one of the issues.

That any other form than that of representative government would be unsatisfactory and repugnant to the people of this territory and the large majority of whom are British subjects.

Be it further resolved that the Commissioner be requested to forward a copy of this resolution to his Excellency, the Governor General, to the Right Honorable Sir Robert Borden, to the Right Honourable Sir Wilfred Laurier, to each Minister

of the Dominion Government and to the member for Yukon, and that a telegram be sent to the Honorable Arthur Meighen, Minister of the Interior, requesting that no further changes be made in the Territorial Government, pending the receipt of this resolution."

Mr. Chairman, that particular Mr. Phelps must have been a very powerful man, because since that resolution, we haven't seen many further meaningful changes that have been made in the Territorial Government. But Mr. Chairman, I submit that the reasons for change outlined in that resolution that Yukoners can best make those decisions affecting them, themselves, are as valid today as they were in 1918. Thank you very much Mr. Chairman, members of the Inquiry.

MR. CHAIRMAN: Thank you Mr. McKinnon, for that presentation. Mr. Goudge?

MR. GOUDGE: Yes sir, following our usual order, Mr. Hudson for Foothills Pipe Lines; Mr. Joe for Council for Yukon Indians.

MR. JOE: Just a couple of questions.

CROSS-EXAMINATION BY MR. JOE:

Q On your statement Mr. McKinnon, that you still support a just and expeditious settlement in the Yukon. Can you tell me if that statement

could be subject to such pre-conditions as self-government which you've maintained in your statement today for the Yukon?

MR. McKINNON: Well, Mr. Chairman, I believe and have believed, that they should be parallel but not contingent upon one with the other.

I would find it very difficult to be able to sell politically in my constituency, the concept of a percentage - a minority percentage of the Yukon people receiving large tracts of land and money from a Federal Government settlement without a concomitant response to the repeated demands since 1898 of the white population of Yukon for more responsibility and control in Yukon.

I would find it very difficult for the Indian people to accept -- to be part of the Territorial Government if there were in actuality, no power for the Territorial Government.

Q I wonder Mr. McKinnon, if you are very acquainted with the times in which the Indian people in the Yukon Territory received full franchise in order to participate in the democratic society which we now have in Canada?

A Just involved through particular personal circumstances.

Q If I were to suggest to you that the Indian people in the Yukon got the full critical franchise of the right to vote in 1961 in both Federal or

Territorial elections, would you agree with me with those dates?

A I would have to agree with you on the Federal side and I would have to say I'm not positive of the Territorial side.

Q But given those dates Mr. McKinnon, you would still maintain that the total deprivation of ones right to participate in a democratic society will not indeed be offset or maintained by the super-imposition of a land claims settlement which may compensate for the denial of the right to participate in a democratic society.

A Mr. Chairman, the only way I can answer that is by stating that when I was first elected to the Yukon Legislative Assembly in 1961, that there were several pieces of legislation still on the statutes books which were discriminatory to the Indian people.

I can only say that the Indian people were completely and totally unorganized at that time. There was no CYI, there was no YANSI, there was no YNB and On the initiative of the members of the assembly because they knew these pieces of legislation were wrong. They were taken from the statute books and that was as recent as 1961.

I have said to the Indian leaders on occasion, that if they could find any other pieces of legislation that fit into this category on the statute

books of the Government of Yukon, they would be removed immediately. I believe with the amendments to the liquor ordinonee that that last discriminatory piece of legislation towards Indian people has been taken from the books of the ordiances of the Yukon Territory.

Q So I take it from your statement then, you don't feel that a provision of certain benefits to the Indian people at this point in time, would in fact, assist in alleviating any past injustices which may have been heaped upon then, due to the denial of the essence of participation in the democratic society?

A Mr. Chairman, I've already stated, I've been a proponent, a mover of resolutions in the Yukon Legislative Assembly - several of them, promoting a just and expeditious land claims settlement where land and money would be involved to the Yukon Indian people.

a member of that -- a maker of that policy, that I would like to be able to wait until it is a government policy brought before this Inquiry towards the end of this week.

Q In that respect, Mr. McKinnon, can I just ask you seeing as how you are appearing on a professional or a personal level, if you can tell us whether or not you have plans to enter the next Territorial election in your constituency?

A I never make those type of political decisions until just prior to the election.

Q Nonetheless, your advice would still remain the same in terms of presenting the pro-pipeline platform for any person who would run in that constituency, would that be correct?

A That's the problem. I don't think I'm presenting that pro-pipeline and attitude, I am saying that I think that with the proper safeguards and controls and the Yukon people being true beneficiaries that a pipeline would be in the order of planned, orderly, economic development for the Yukon. Now I don't think that that makes me the type of a person who is going to jump up on the roof of this hotel and say that I am pro-pipeline and regardless of the costs I am for the pipeline.

That's the whole problem with the position that I see, coming from the Inquiry, and the people being forced into being pro - anti, either - or, white

hat or black hat; I just don't believe that the whole decision is that simple. And people who are for controlled orderly development in the Yukon should be stereotyped into being pro-pipeline and pro-development, regardless of the cost.

Q On page six of your evidence you state"Yukon's development today is highly sophisticated and industrial." Now, I take it you are talking about the non-Indian segment of the population there, would that be correct?

A Well, I'm sorry, I can't separate them, because I know so many of the Indian people who are involved totally in the industrial and wage economy. I know so many that are truck drivers, so many that are cat skinners, so many that are tradesmen that I say that many of the Indians, particularly the ones who live in my constituency and have their homes there are employed in that industrial economy.

I know full well, and there is the other side of the coin, the story in the villages and the problems that are there and one would have to be blind to hide their heads to it, but there are a large portion of my constituents of Indian extraction who are involved in the Yukon's industrial economy.

Q If we were to remove it from outside your constituency, would we find that type of

degree of sophistication which I would say sophistication in the industrial sense, removed from that element as identified in your constituency?

A Yes it would be heavier in my constituency, and here I am only guessing because I know my constituency very well and I know who lives in it, and I know who they are. But I would think that it would be much more applicable to my constituency than probably any other constituency in Yukon.

MR. JOE: Just one last question, Mr. Chairman, if I can.

Q You express the concern that if in fact we were going to have Inquiries into the gold rush in Dawson that would not have happened to the state, would that be an expression of the concern for the social or economic impact of the Indian people in the Dawson area, or would you feel it would be brought down in the barrage of inquiries?

A If this Inquiry was looking into the element of gold rush, knowing the environmental damage it would have done at the time, I would probably be standing on the Dawson Indian people's side against the gold rush happening. But knowing what has happened to it as far as luring tourists into the Yukon and creating a mystique of the romance of the Yukon with knowing the results of it, that would be a difficult position

to take. But I think on the original overall disruption and knowing what was going to happen to Dawson, that you and I would probably be together before the Inquiry here saying that we don't think that this type of industrial expansion perhaps is exactly what we want at this time. There's no doubt about it, it was pretty uncontrolled and pretty laisser-faire.

But, part of the romance of the Yukon history.

we hope to present a comprehensive statement as far as government policy to this Inquiry, regarding an Alaska Highway pipeline, or a pipeline through the Yukon if it is built and we'll be addressing ourselves specfically to those types of questions.

Q Then you refer on page one of your evidence to the mythical campaign that you and Mr. Joe were talking about. I take it, as you indicated, it's not as simple as people being either in favour of the pipeline or opposed. Isn't it true that those who are in favour are largely in favour subject to certain conditions, some of them being that Yukon get maximum benefit. Wouldn't you agree with that?

A Yes, I do. I think a boomer psychology has not gone, but it's been minimized in the Yukon over the twenty-one years since I've been here.

Q Isn't it equally true that of those you're familiar with in your constituency, those opposed are frequently opposed unless there are certain and very stringent conditions?

A I agree with that statement.

Q Then on page four you give a brief analysis of those of your constitutents who would be entitled to benefit from a land claim settlement, who are involved in the wage economy at present. I take it that estimate of one half that you see at the bottom of page four is based on your own general knowledge of your constituency?

we have to present a comprehensive statement as far as government policy to this Inquiry, regarding an Alaska Highway pipeline, or a pipeline through the Yukon if it is built and we'll be addressing ourselves specfically to those types of questions.

Q Then you refer on page 9 of your evidence to the mythical campaign that you and Mr. Joe were talking about. I take it, as you indicated, it's not as simple as people being either in favour of the pipeline or opposed. Isn't it true that those who are in favour are in favour subject to certain conditions, some of them being that Yukon get maximum benefit. Wouldn't you agree with that?

A Yes, I do. I think a lot of opposition is not gone, but it's been minimized in the [illegible] you've been here.

Q Isn't it equally true that [illegible] familiar with in your constituency, those people are presently opposed unless there are certain [illegible] conditions?

A I go along with that statement.

Q Then on page four you refer to a large number of those of your constituents who would be subjected to benefit from a land claim settlement, who are living in the wage economy at present. I take it that the figure of one half that you see at the bottom of page four is based on your own general knowledge of your constituency?

A That's going through the total, entire voters list of my constituency, Mr. Chairman, and knowing who the people are involved and that's the result I got from such a survey.

Q What about the other half, are they simply not involved in either the wage economy or the land based economy or are they involved in a land based economy rather than a wage economy?

A They're many of the beneficaries to settlement living in the village who are typical of many of the Indian families living in villages throughout the Yukon who are not involved in the wage economy and, of course, present the unemployment statistics to be extremely high amongst the Indian people of Yukon.

Q Are those other half involved in the land-based economy?

A I can't accept that, Mr. Chairman, if by a land-based economy we mean living off the land. I think there's very few in my constituency living in the Whitehorse village who are living off the land. We know that along the Alaska Highway there's approximately sixty traplines which are registered in the area immediately adjacent to the Highway. Forty-four of those are registered to Indian people and last year only about ten of them showed any indication of being trapped to any extent at all, so it's rather difficult to accept a real land-based economy from the

Whitehorse village or, in fact, settlements along and adjacent to the Alaska Highway.

Q So of the beneficiaries of any prospective settlement, you wouldn't be able to say whether the half not involved in the wage economy are involved in living off the land or not, or is it your evidence that you think they are not.

A I know that they are partially living off the land. I think that that would be fair. I don't think there's a person in the Whitehorse village in my constituency that doesn't get a moose in the fall time, or several of them, but that would about the extent of their involvement with a land based economy.

Q Is the partial living off the land confined to those who are not involved in the wage economy or does it apply to all natives in the Whitehorse Indian village?

A It involves all the Indian people in my constituency, whether they are involved in a wage economy or not. The point that I'm attempting to make and to suggest is that the best of both worlds is the involvement in the wage economy and still the traditional life on the weekends or as often as one can get out to the areas from whence they came.

Q Is there any way you're giving us what that means, is it every weekend or is it weeks

during the year or is there any pattern?

A It's every weekend, Mr. Chairman.

Q And it would involve food harvesting on weekends?

A Yes, it would.

Q Is that tendency increasing or decreasing as far as you can tell?

A I see it increasing, and it's one of the very real optimistic things I see about what is happening in Yukon at this time that more and more of the younger Indian people are building cabins out where their folks originally had their places and are attempting to raise their children as well as possible in both cultures, and are being quite successful at it. That gives me great hope and optimism for the future of the Yukon.

Q How do you see that trend being affected by a pipeline? If you would rather answer that question on Friday, by all means, say so.

A Yes, because -- yes, it does involve government policy, Mr. Chairman.

Q You and I may come back to that on Friday.

A Fine.

Q Now, one other question your description of your constituency if I asked you to make the same analysis of other areas of Yukon, what would your answer be. Is there more or less living off the land elsewhere in Yukon?

A Oh, very much more in different areas, such as the Carmacks-Kluane area, the

Hootalinqua area, or the Old Crow area, it would just be obvious that there was much, much more sustinence living there, a land-based economy in those constituencies than in Whitehorse North Centre.

Q Same tendency to increase that involvement elsewhere in Yukon?

A I can't answer for the other constituencies.

Q All right.

Now, in terms of your evidence on page seven where you say, second last paragraph, "there is one answer and one answer only for us Yukoners have always been best sorting out their own problems because of our unique history, unique methods of solving unique problems and have often resulted". I take it you would acknowledge that there now appears to be a problem in that Council for Yukon Indians is saying one thing about pipelines and land claims and others in Yukon are saying something different?

Is that right?

A Yes, Mr. Chairman.

Q And I take again you will be coming back to the resolution of that difficulty in light of your assertion that Yukoners ought best to work out their own problems on Friday, when you return?

A No, we won't be

attempting to even as a government, to expore the constitutional avenues.

I just believe that as in Yukon as in every other area of Canada, the normal political process should be followed in making the decision. Of course the very advent of such an Inquiry and it not going into B. C. or Alberta just emphasizes the fact that we are not capable of making these decisions through the normal polticial process and through the political involvement of all Yukoners, which I think we have the capabilities of doing.

Q Thank you.

MR. GOUDGE: Those are all the questions I have, sir.

MR. CHAIRMAN: My colleagues have no questions, Mr. McKinnon. Apparently Mr. Phelps doesn't wish to indicate whether the family's position has been modified since 1918.

MR. McKINNON: I must say his resolutions were not quite as wordy as his grandfather's Mr. Chairman. But of course, he wasn't around for very long after that.

MR. CHAIRMAN: And I have no questions, thank you very much indeed for that personal presentation.

(WITNESS ASIDE: MR. J.K. McKINNON)

(WHITEHORSE CHAMBER OF COMMERCE PRESENTATION MARKED AS EXHIBIT NUMBER 98)

MR.GOUDGE: Thank you sir. We would now propose to move to a presentation by the Whitehorse Chamber of Commerce and Mr. Morrison will be making that. Mr. Morrison?

Could I ask Mr. Burrell to be quiet please? (Laughter)

Sir, anytime you are prepared to commence. Mr. Morrison, you have been sworn?

MR. MORRISON: No.

MR. DAVE MORRISON: Sworn

MR. MORRISON: Mr. Chairman, I'll just read the first five pages submitted in evidence, and we'll let the appendix stand as part of the record, is that fine?

MR. CHAIRMAN: That will be agreeable, Mr. Morrison, yes.

MR. MORRISON: Mr. Chairman, in your closing statements of May 20th, you outlined several areas of special interest to the board. The Chamber of Commerce has accepted your invitation and will address itself today to the question of Yukon Indian land claims.

It is not our intention to become involved in a discussion of whether or not there should be a native land settlement. Today we plan to address ourselves to how we see native claims in the context of the pipeline. It is important, Mr. Chairman, that our

position be clearly understood.

We feel we can present a possible framework within which the pipeline can be constructed and the native claims negotiations continue without prejudice. We are therefore, prepared to present a pragmatic approach to a matter which concerns all Yukoners.

Before we present our case, there is one point which must be clarified. The settlement of native claims has previously been supported by the Whitehorse Chamber of Commerce. It has also been our position that any settlement must benefit all Yukoners. It must also provide a basis for economic, cultural and political development which will promote opportunities and harmony among all residents. The one situation which is totally unacceptable, however, is a native claim settlement which advocates two separate nations within Yukon. We feel the majority of Yukon residents, will, however, accept a land claim which establishes one government for everyone.

We have recognized that the native people are concerned. They will not be able to participate in the pipeline project in an effective manner. We have considered this matter and also the call for no pipeline before land claims. In relation to this point, we offer the following quotation by The Honourable Jean-Pierre Goyer in an address to the Canada-Israel Chamber of

Commerce in Toronto, in April of this year:

"There are costs to growth, but there are also costs to zero growth. They are enormous. 1975 was a year of zero growth. Let's face it that's not for us. Zero growth exacerbates regional and individual disparities and increases unemployment, reduces upward mobility, fuels social tensions. The costs far outweight the benefits, especially if you are underprivileged.

It is our opinion that Yukon residents can benefit from a pipeline if one is to be built in the national interest and for this reason, we have supported an Alaska Highway pipeline route. We also indicated in the past, our feeling that native claims could be settled prior to a pipeline. This is no longer our opinion as we have observed a slow progress of negotiations during the past eighteen months, especially during the last three months.

We have delineated our concerns in relation to a choice of zero growth as a case in point. Council for Yukon Indians Chairman, Daniel Johnson, recently stated his position that there should be no pipeline until native claims are settled and implemented. The implementation stage has been estimated at ten or twenty years. We believe this to be a situation which would eliminate any chance of there every being a pipeline built through Yukon. In our analysis, that means no benefits for anyone and it certainly doesn't help a zero growth possibility.

The Chamber of Commerce, instead of looking at the native claims - pipeline issue from -- and there is a typing error there, Mr. Chairman. That should be one perspective -- from one perspective, began to look for other alternatives. One such consideration is the CYI testimony submitted by then Chief Elijah Smith at the Berger hearings. Chief Smith clearly stated the position of the native peoples, but he also offered a positive solution if in

fact, a pipeline is to be built in the national interest.

I am speaking here of his suggestion that the native people be given equity in the pipeline company. We are not suggesting that this is the perfect solution, but we are saying it is an attempt to offer a positive approach. We, too, wish to present a positive and workable alternative to one of the most important issues facing Yukon today.

The Chamber of Commerce attempted to look at another area other than Alaska, when it came to the question at hand. We chose the only other appropriate alternative - James Bay. In doing so, we realize that the native people of Canada do not look with favour on the James Bay agreement. It is however, our understanding that the Government of Canada considers it to be a creditable document. We are not experts on the settlement or the complete details thereof and we do not wish to become involved in a discussion of its pros and cons.

It is our intention to look at the agreement as a learning experience. It is our hope Mr. Chairman, you will allow us to present our evidence in this a general manner. The Governments of Canada and the provinces retain the right of expropriation for the purpose of public servitudes. The James Bay agreement also defines this privilege.

Quoting from Volume 2 - an Act

Respecting Certain Municipalities and Regional Government of Northern Quebec, Section 132.

> "The Council may, by complying with the provisions of Sections 606 and 607 of the Cities and Towns Act and the expropriation procedures established by law,
>
> a) expropriate any immovable property or part thereof or any servitude required for the execution of works ordered by it within its jurisdiction,
>
> b) expropriate the whole or part of any road in the municipality and belonging to any persons, firms or private corporations,
>
> c) expropriate any immovable property, any part thereof or any servitude it may need for municipal purposes."

It is also our intention to submit as appendix 1, certain statements given by Mr. John Ciaccia, member of the Quebec National Assembly for Mount Royal and special representative fo Premier Robert Bourassa in the James Bay Agreement. In his introduction of the agreement to the Quebec National Assembly, these statements also refer to the question of public servitudes, but they also deal with certain philosophies in relation to the land and the intent of the agreement.

We are proposing to you Mr.

Chairman, that the existence of expropriation procedures is a right of governments in Canada and is applicable from sea to sea. It is our suggestion that this practice be brought into the Yukon pipeline situation. The solution is simple.

The pipeline if approved in the national interest will proceed; the right-of-way lands granted in the normal manner. The situation will, however, be treated as an expropriation proceeding and if by granting the right-of-way, Canada or the territory give up lands which might normally be involved in a settlement, compensation will be afforded at the final negotiations. This method we feel allows pipeline construction and provides a mechanism which assures native claims negotiations can continue without prejudice.

In order to insure the pipeline project benefits Yukoners, we have in our previous presentations, made recommendations concerning rent controls, local hire policies, training programs, Vancouver and Edmonton hiring centres, local purchasing policies, impact funding, government planning, game ordinance amendments, the availability of gas and pipeline electrification.

We now have several recommendations to present that are critical if Yukon is truly going to benefit from the pipeline project. These are related to our earlier suggestions regarding expropriation. If the pipeline is to be approved, then the native people must be able to

participate in the project.

It is our recommendation that the native peoples be awarded by Canada, the necessary monies and land which will enable them to participate in a meaningful manner. It is not our intention to delineate amounts in this respect as we feel this would be presumptuous on our part. It is our suggestion that if properly implemented, our suggestion affords a method whereby native peoples can participate in and benefit from the pipeline.

We see this program being, at this point, independent of the native claims negotiations but at the same time, being in conjunction with them. The Chamber anticipates the funds and lands in question being applied in establishing business, economic opportunities such as purchasing of equipment, the provision of advisory assistance, project monitoring, those necessary social programs and assistance in education and relocation. We are confident that the native people will have their own ideas as to how best the proposed monies and land might provide the greatest benefit.

The Chamber also recommends that Canada provide parcels of lands in and around communities on the pipeline route and certain monies to the Government of the Yukon Territory. This assistance will ensure that Yukon is able to properly look after the entire population of the Territory and guarantee that we experience a net benefit from the pipeline project. The existing Federal budgetory and land transfer systems are not conducive to the accommodation of development in a manner which will benefit Yukoners. It is a change in these practices which we are advocating. It is important that land and money packages must be provided for natives and non-natives both, and they must be flexible. The measures we have suggested are interim in nature, but we feel these are serious and positive effort on our part to present a practical approach to the claims pipeline question. We do not intend to downplay the native claims. We do think, however, that Yukon's present economic status is poor and needs a boost. We want to see a thriving economy which can benefit everyone. The pipeline can help to achieve this goal.

It is time we in Yukon adopted a co-operative and co-ordinated approach to development. It is our hope we can begin with the Alaska Highway pipeline project.

Thank you, Mr. Chairman.

(Evidence submitted but not read in:)

Three categories of land: Appendix One

At the same time, due consideration has to be given to the special needs and interests and problems of the native peoples. With this Agreement there will be a new land regime in the North, and a new regime respecting the most important traditional occupations of the native peoples -- hunting, fishing and trapping.

There will be a new regime for the

protection of the enviornment. These initiatives will all entail the participation of the native peoples in governmental bodies in the decision-making process respecting these matters. In other words, these various regimes will be administered by the people who are affected, and by the Government responsible, that is to say, the Government of Quebec.

The needs and interest of the native peoples are closely tied to their lands; their lands are at the very centre of their existence. That is why in this Agreement we have devoted ourselves especially to the establishment of a land regime that will be equitable and that will satisfy the needs both of the native peoples and of Quebec.

And it is for this reason that we have defined three categories of land in the Agreement. The new land regime deserves special attention, and I would like to outline it briefly. Honourable Members will, of course, be able to examine it in greater detail in the proposed text of the Agreement.

I repeat, the Agreement defines three categories of land, which we call, for the sake of simplicity, Category 1 lands, Category 11 lands, and Category 111 lands. I'll speak about Category 111 lands first, if I may, for the vast bulk of the territory of northern Quebec will be made up of Category 111 lands. These are, generally speaking, lands where exclusive rights or privileges are not granted to the native peoples. This does not mean they are shunted aside. On the contrary, they will be able to pursue their harvesting activities -- hunting, fishing, and trapping -- year round, as in the past. To this end, certain species will be reserved for their use. But, in general, the entire population will have access to, and the use of,

Category 111 lands in accordance with ordinary laws and regulations of Quebec concerning public lands.

It is the Category 1 and Category 11 lands, however, that are of particular importance in the context of the preservation of the culture and the economy of the Cree and Inuit peoples.

Now what do we mean exactly by Category 1 lands? These are the lands that will be allocated to the native peoples for their exclusive use. They are the lands in and around the

communities where the native peoples normally reside.

Certainly the native peoples will enjoy a special position on these lands. That is the point of having this land category. But there is more to be said. Quebec will retain the right to use Category lands for public purposes. Acquired rights, private as well as public, are protected. If the public activities on these lands interfere with the native peoples' use of them, then replacement land must be provided for them.

Now to see the Category 1 lands in their proper perspective, it must be realized that they represent a tiny proportion of the whole territory. Approximately 3,250 square miles are to be allocated to the use of the Inuit, and 2,158 square miles to the use of the Crees. Thus, although these lands are vital to the native Government's policy of protecting their traditional economy and culture, you will agree that they are of minimal importance in relation to the total economy of Quebec.

One of the most important features of the Category 1 lands will be their self-administration. In other words, local matters will be regulated by the people who live there, as they are in any other municipality anywhere else in Quebec. There are to be Category 1 lands for the Cree communities south of the 55th parallel, in the James Bay region, but these will not be part of the Municipality of James Bay. These communities, or rather, the members of each of these communities, will constitute legal entities, and each entity will have its affairs administered by a council.

The native peoples will be required to allow the use of Category 1 lands for their general community services, such as hospitals, police stations and schools.

The consent of the native peoples will be required for mining activities on Category 1 lands. However, the mineral and sub-surface rights will continue to belong to Quebec, with the exception of rights already acquired by third parties . Owners of mining rights adjacent to Category 1 lands will be able to exercise them within the limits of the rights they retain, but they will be required to compensate the Band whose

territory is affected by their operations.

The Government, for its part, will have certain expropriation powers on Category 1 lands. There can, for example, be expropriations for community purposes such as roads, public utilities and even pipelines or transmission lines. But the Agreement stipulates that no oil or gas pipeline may be built closer to the centre of a community than five miles; and that stipulation is for the purpose of protecting the community's physical and social environment.

Quebec's presence: a reality

I mention all these various provisions to emphasize two things, namely that the native peoples will have land that to all intents and purposes they can call theirs, and that Quebec's presence on that land will be a reality. For these reasons, land is a fairly complex matter, and is at the very heart of this agreement.

Now, if I may turn to Category 11 lands. Category 11 lands are those where the native peoples will have exclusive hunting , fishing and trapping rights, but no special right of occupancy. The Government of Quebec may ear mark Category 11 lands for development purposes at any time, as long as the land used for development is replaced. And servitudes for public purposes may be established on Category 11 lands without any requirement of compensation.

Mining exploration and technical surveys may be carried out freely on Category 11 lands. The Government of Quebec may authorize scientific studies, adminstrative works and pre-development activities on Category 11 lands. These undertakings, it goes without saying, must not interfere unreasonably with the hunting, fishing and trapping activities of the native peoples.

This land regime that the Agreement proposes is, admittedly, an elaborate regime. It sounds as if we are going to great lengths to deal with special interests and problems. And we are. For while affirming the integrity of its territory, the Government of Quebec has sought to ensure that the native peoples can maintain their traditional way of life, which is the basis of their economy, their culture, and their survial. And

what's more, the Government has sought to ensure that this way of life is viable. That is why the Government has taken the responsibility for the allocation of lands to the Cree and Inuit peoples -- some lands here they will have exclusive hunting, fishing and trapping rights.

No paternalism

I want to emphasize to Honorable Members that the Government of Quebec has rejected paternalism as a policy for dealing with the native peoples. That is one of the meanings that you can take from this Agreement. The Government proposes to deal with the native peoples as full-fledged citizens. I think it is fair to say that great care has been taken in the negotiation of this agreement to see that nothing prejudices their rights as citizens. Quite the contrary. The native peoples are offered, with this Agreement, reasonable conditions for the pursuit of their traditional occupations. They are offered the services that are available to all other citizens of Quebec in their own communities. They are offered powers of local administration as great as those of there communities in Quebec.

Moreover, the Governments of Quebec and Canada will, for the purpose of helping them to meet their needs in the economic, social and community domains, allocate the sum of $225 million to twenty-two native communities in the course of the next twenty years. This sum cannot be distributed to individuals; it must be used by the communities.

Finally, and perhaps most important, the native peoples are offered a choice. They will be free, as individuals, to choose between their traditional occupations and new occupations.

In this sense, I think that both the Quebec Government and the native peoples can feel that they are sharing a victory. It is a victory for the Geovernment because, by virtue of the Agreement, the presence of Quebec is finally and completely asserted in the North. It is a victory also for the native peoples because by the Agreement they are put on a new and more dignified footing, as a collectivity, than they have known in the past.

I believe sincerely that the historic approach to Indians affairs in this country is no longer valid, and no longer acceptable. It certainly would not have been the least bit effective in dealing with the situation which we have had to confront in northern Quecec and which we have tried to resolve through these long, patient, and extremely complex negotiations.

We did not want to create "reserves" in the conventional meaning of that word and, in fact, we are not creating them.

The Quebec Government has taken the position in these negotiations that it wanted to do all that was necessary to protect the traditional culture and economy of the native peoples, while at the same time fulfilling its obligations under the Act of 1912.

The Category 1 lands, herefore, are not reserves in the classical sense, as I hope I have made clear.

This Agreement will, in fact, take precedence over the Federal Indian Act. It is our aim that a new concept will exist, to be implemented by Quebec law. This concept is that of a community which the Crees or the Inuit, as the case may be, will inhabit as their own, and which will be built around their traditional activities, but which will be accessible to the rest of society.

Let me repeat specific provisions that will illustrate what I have just said. There will be public roads in and near these communities, for example. It's not going to take any red tape to get to them, either. The Government will have the normal right to expropriate land for public purposes. There will be servitudes for utilities. And the general public will have the same rights on land in the public domain, such as the roads, as it has anywhere else -- and the same limited rights on land not in the public domain as it has on private property anywhere else. That is to say, there is a normal right of access for lawful and legitimate purposes. The Category 1 lands are not to be walled off or cloistered. Nobody will automatically be guilty of trespass simply for

entering Category 1 lands. We are not creating shelters or confinements for wards of the State, for the simple reason that the concept expressed in the Agreement aims at wiping out the stigma attached to being a ward of the State. In reality, we are giving cultural minorities the chance of collective survivial, and we are doing this without in any way diminishing the province's power to use the resources of Quebec for the good and the benefit of all the people of Quebec.

Two guiding principles

In unertaking the negotiations with the native peoples, we have followed two guiding principles, two principles of equal importance. The first is that Quebec needs to use the resources of its territory, all its territory, for the benefit of all its people. The use of these resources must be reasonably planned. The future needs of the people of Quebec must be anticipated.

The Government clearly has the duty to take the measures necessary to ensure the orderly and rational development of the resources of our territory in the North. Those resources are a vital factor, they must be a vital factor, in the government's over-all plans for the future of Quebec.

The second principle is that we must recognize the needs of the native peoples, the Crees and the Inuit, who have a different culture and a different way of life from those of other peoples of Quebec.

We have negotiated with two minorities who felt themselves threatened with extinction. The native peoples are battling for their survival. If the State does not succeed in establishing principles aimed at assuring the survival of these minorities, it could well happen that we might not even be able to guarantee our own.

Mr. Chairman, Quebec certainly has special reason to be sensitive to the needs and anxieties of population groups of a different culture who are in a minority position. And that is the position of the Crees and the Inuit. They are very tiny minorities. Their fate as collectivities would be sealed if the Government of Quebec were not determined to give their culture the chance of survival as long as it has vitality, and

as long as they wish their culture to survive.

The Crees and the Inuit are inhabitants of Quebec. They want to live in Quebec, to work in concern with the Government of Quebec, to be part of us.

I have been struck time and again in the course of these negotiations by the expression of these sentiments that I have just described. The Crees and the Inuit are an integral part of Quebec. But, I repeat, they are also minorities in Quebec whose survival is threatened. That is one of the reasons why we have, in this draft Agreement, taken full account of their need of education in native tongues, and in their own schools under their own local juridiction. And it is why we have attached so much importance to the elaboration of the land regime that I have already discussed.

Land is the very basis of the Cree and Inuit cultures. And it is not just a matter of sustaining themselves with the harvest of the land, which of course they do.

They have a mystique about the land, and what it contains. They have a special relationship with the land that their ancestors inhabited, a link, something indefineable but real and genuine nevertheless.

The native peoples who will be parties to this Agreement are not the people you see in our cities selling artwork and handicrafts. They are not people who offer themselves as a tourist attraction. They are not people who do odd jobs and live on pizzas and other delicacies of our supposedly advanced southern civilization. They are flesh and blood people who live and work in communion with the land they inhabit and who express, in their everyday activities, the continuity of a long, long tradition. They are living, if I may say so, a wholesome life in harmony with the land. They are at peace with nature.

Let us take trapping as an example of what I am saying. This vocation is no occasional pastime with the people of the North. It is one of their principal occupations, part of the basis of their livelihood. In hundreds of places the earth is literally festooned with traplines. Many of the native peoples go into the bus, or the forest, for four to six

months at a time to set and tend their traplines, or harvest the fruits of their labors.

This is an integral part of their life, not an isolated activity. They fit it into the pattern of their lives.

So we are by no means talking about a dying way of life. On the contrary, it is strongly maintained. The native peoples hold to it with every fibre of their being. And as the North is inevitable opened up to other people, it would be wrong not to do what is in our power to do to guarantee and protect this way of life.

We are naturally much worried about the preservations environment. This question has indeed been one of our main preoccupations. That is why there will be a specific Environmental and Social Regime in the North. Its guiding principle will be development in harmony with the protection of the environment.

As I have said, and I will no doubt often say it again: there is no question of stopping development. But there will be a procedure to study the possible effects of specific development projects and to determine how these effects, where they may be detrimentated can be prevented or minimized. And this will not be a unilateral action. The native peoples will have a part in deciding and establishing environmental regulations that directly affect them and their way of life. They will be able to make their positions known through advisory bodies and study groups that the Government will be obligated to consult.

An Agreement withour precedent

Now I may have talked too long on some points, and I apologize to Honorable Members for that. But if I have taken so much of your time, it is because I want to lay the foundation for the staement that I am going to make now: This is a very comprehensive Agreement. It has involved the Government of Canada, and three Quebec Crown Corporations, namely Hydro-Quebec, the James Bay Development Corporation and the James Bay Energy corporation, as well as the Grand Council of the Crees, which represents eight different Indian Bands, and the Northern Quebec Inuit Association, representing fourteen

communities, and the Government of Quebec.

When the Prime Minister gave me his mandate two years ago, this is not, to his way of thinking, to be just a money and land settlement. It was to be a comprehensive settlement that would enable the native peoples to become full participants in the life of Quebec while safeguarding their distinctive culture. It was to be a comprehensive settlement that would establish, once and for all, Quebec's authority to dispose of the territory in accordance with the dictates of public interest and of Quebec's national policy. I submit that with this Agreement, we are achieving these objectives.

I recognize, as do Honorable Members, that far-reaching legislative measures will be required, both in the National Assembly of Quebec and in the Parliament of Canada, to give full effectto this important Agreement. Certain new legislation will be needed,certain statutes, of Canada and of Quebec, will have to be modified. So Honourable Members will have ample opportunity to study every aspect of the Agreement in detail before it becomes law.

But while legislative action is therefore required in both capitals, Ottawa and Quebec, it is here, in Quebec, that the crucial decisions must be taken. Here, in Quebec, in the National Assembly, that the results of the long, arduous labors of our negotiating team truly need to be ratified.

It is my ardent wish, Honourable Members, that we shall be legislating not only with a view to new commitments and to a clear and precise affirmation of Quebec"s presence in its North, but also with a view to the creation of a framework within which Quecec can give substance to it's vision of the North.

MR. CHAIRMAN: Thank you, Mr. Morrison. Mr. Goudge, you will take him through the list?

MR. GOUDGE: Yes, sir, leading the way, Mr.Hudson for Foothills Pipe Lines?

MR. HUDSON: No questions, thank you, Mr. Chairman.

MR. GOUDGE: Mr. Joe for the Council for Yukon Indians?

MR. JOE: A couple of questions, Mr. Chairman.

CROSS-EXAMINATION BY MR. JOE:

MR. JOE: If I can explore that concept of expropriation without prejudice that you mention in your paper, as well as the subsequent allocation of lands and money to native people, as well as allocation of lands and money to the Territorial Government, do I take it, or do I understand it to mean then that it is the Chamber of Commerce's position that this can in fact be done without prejudice to the aspirations and goals from the native claims?

MR. MORRISON: I think so, Mr. Joe. What we are proposing expropriation theory that we have put forward is that native claims negotiations can continue, that in Canada, or Canada as a federation retains the rights of expropriation and has,at least as long as I am aware, that these rights are without prejudice, in the same fact

as in the government decides that it wants to build a new Territorial Government Building, it expropriated the businesses and houses that were there on that site. Now that has no bearing on anything else that might have been apparent within that area of land at that time.

All we are proposing in putting forward the expropriation theory is that this is an opportunity for the pipeline to -- pipeline construction to go ahead, but at the same time, it doesn't, as we see it, it affords the native people an opportunity where the land claims must not be settled prior to, if in fact a decision has to be made to build a pipeline. In other words, where the Alaska situation, or as Mr. Nicholas testified in the case of the James Bay agreement.

There is no need then to negotiate with a gun at your head. That's -- we offer that as a sincere alternative, we think.

Q Now, on page four of your evidence, you state that the situation will, however, be treated as an expropriation proceeding?

A Yes.

Q And that by granting the right-of-way, Canada or the Territory, are you stating there that if Canada or the Territory should give up lands for the alignment -- the pipeline alignment, then there would be compensation. Is that correct?

A No, what I am stating there, Mr. Joe, is that we would consider the strip of land which is designated as a pipeline right-of-way in theory at that point in time as a piece of land that has been expropriated for the purposes of pipeline right-of-way. This would be applied to the native claims negotiations in a manner that if that land or parts thereof, or pieces thereof form part of the native claims negotations, then Canada would agree to provide compensation for those lands at a time when final agreement is reached, or during the negotations.

I don't propose that if land is taken that Canada would be giving it back to -- or considering it an expropriation procedure on it's own behalf. This is strictly related to native claims negotiations.

Q So then, should this strip of land be taken up, you are suggesting then compensation can be decided in the future?

A I'm saying that compensation can be negotiated at a pace which is agreeable to both the native organizations and the Government of Canada.

Q Who would be paying this compensation?

A Canada.

Q Canada would?

A Yes.

Q And you don't foresee any monies coming from the applicant for paying for compensation for --

A Well, if that were the case, Mr. Joe, they would go to Canada, and Canada would allocate the native claims negotations are with the Government of Canada, not with the pipeline company.

Q That's true, but the Government of Canada is expropriating for one particular applicant, that is Foothills?

A Yes. And I think that if perhaps a Government policy decision that Foothills might have to pay for this land, then that's up to the Government of Canada, but I'm not suggesting that.

Q On a philosophical level now, you maintain than monies and land should be given to the native people in terms of -- to participate --

A Yes.

Q -- in pipeline development.

A Yes.

Q You say that -- how do you see them participating in pipeline development?

A Well, in looking at that, we've done several things. We have on one hand, accepted a -- I don't know if we call it a position or a statement -- put forward by the CYI, Mr. Joe, is that native people must be able to participate in any pipeline project or any development project.

We've taken that on one hand and we have looked at the participation in another. I would see that there would be no difference in native participation as to non-native participation. We don't foresee anything special, if that's what you're looking at.

Q So I take it then, you don't feel the contrasting philosophy of native people who advocate the traditional way of life in comparison to the native people who advocate the wage economy, would in fact, result in a conflict which may prejudice future negotiations of Yukon land claims?

I'm suggesting that you may end up with two groups of people, people who concur with the "get rich" scheme of the pipeline, which you term benefits, and Indian people who say no, we don't advocate that scheme. We still maintain that there is a degree of substance in our traditional economy and they wish to pursue that. In the pursuit of the wage economy, whether it be by "buy-out" or "buy-off" dollars from Foothills or the Government of Canada, may in fact, prejudice our position. You don't see that?

A I don't, no.

Q Now, when you state that lands and monies will be given to both the Indian people and to the Territorial Government --

A Yes.

Q -- this is relation to your overall in exprop/riation scheme. I take it that down the road, native people will be compensated by the Federal Government as you stated earlier. Is that correct?

A Yes.

Q And that compensation would be on a more or less straight land purchase deal?

A Well, I don't profess to be trying to put anything into land -- native claims negotiations. I mean, if the native people wish to negotiate on a strictly a land transfer basis, you know -- I'm not trying to -- there is no interference intended. I think there

is more to the native claims negotiations and I think there is more outlined in here than that. So to leave it strictly on a land transfer basis, that's, you know --

Q Well, what I'm suggesting is that your proposal, that you'll -- the Government of Canada expropriate now and compensate later down the road, is in fact, in a straight land transfer deal. We're taking some land from you, therefore, we're going to compensate you. Is that correct?

A At this point in time, it's taking land. Now, whatever that forms in the native claims negotiations, whatever that turns out to be in the end result, is not for me to say at this point.

Q The evidence that was put forth by Mr. Miller, who was representing Foothills --

A Yes.

Q -- states that there will be a multiplicity of money coming into the Territorial coffers due to taxation from the renting of the lease of those lands which flow through the Territorial Government. Is that correct?

A Yes.

Q Now, do I understand this proposal to mean that native people will be compensated by the Federal Government, but the long term tax dollars flowing from the maintenance of this pipeline on Territorial

lands will flow to the Territorial Government.

A Well, that -- there's a little bit of difficulty with that, but generally, I can't really argue too much with it, but the point is that the compensation that you talk about on the expropriation, is in our minds, part of that compensation is, it's inherent in the total land claims scheme of things.

Now, when you want to -- things aren't quite so cut and dried is what I'm trying to say is, as maybe that statement presents them to be.

Q So I take it from your statement then that there is some difficulty with your proposal if in fact, the native people receive instant compensation and the Territorial Government receives continuing remuneration from this expropriation scheme.

A I don't -- you're talking about that the Territorial Government will get an ongoing payment as far as expropriation goes?

Q Well, in terms of tax dollars they would, would they not?

A Well, I guess that all depends, you know, your statement is taken in light of something -- a political process that maybe you believe in. I happen to think that the Territorial Government represents everybody in the territory.

And if you don't think that way, then I guess that's where you can make a dividing line on your statement. But if there's anything wrong with continuing payment being made through such things as taxes and other payments for costs, I don't see anything wrong with that.

That's got nothing to do with the expropriation theory that we suggested.

Q I see. So your division of the present territorial and the future territorial Governments, is a government which is representative of all people?

A Well, I think we made that quite clear that in our opinion, the people of Yukon are -- you know, are supportive of a native claim settlement, but not a native claim settlement that advocates two governments or two separate nations in Yukon.

Q Well, maybe I can direct your attention to section 91.4 of the British North America Act which the Indian people had nothing to do with, which in fact, established a separate constitutional responsibility for the Indian people?

A Yes, but I don't agree with that either, Mr. Joe, so -- .

Q But the point is that we are given a situation today, which in fact makes the

native people a separate or a special entity in the Canadian constitution?

A Well, I guess we can get into a discussion of whether or not that that philosophy should be, but I personally don't agree with that, and I realize that it exists. Our proposal is put forward on the basis that, hopefully, you know, we're looking at one government which represents everybody in Yukon. Now in somebody else's opinion maybe that's not true or that's not how it is going to work. But we're very serious in our intentions here and that's, you know --

Q Yeah, I would rather not dwell on that, but what I would like to get at is the point which should be made is that presently we have two groups, two cultural groups of people in the Yukon. One cultural group has a claim based on quote: "aboriginal rights", unquote; and the other government has certain powers under section 92 of the British North America Act.

The question is how are we going to reconcile those two groups, given the type of expropriation model that you have advanced today?

A Well, I think that how we have looked at that reconciling that is in the hope that -- when we put our position forward, that land claims or native claims can be settled and can be settled to everyone's benefit as soon as possible. Why we have put our

suggestion forward, is that we think that we can -- that Yukon can benefit from this project at this time. We think everybody can benefit from it, but we don't presume to as you say, prejudice native claims negotiations and we offer this as a mechanism whereby native claims negotiations can continue and hopefully these discrepancies that you have cited will be reconciled in the final agreement.

Q Okay, well I will leave that area, and get into the area of prejudice to native claims?

I take it you have heard the evidence of Dennis Nicholas?

A Yes, I have.

Q And you also heard the evidence of Hugh McCullum?

A Yes, I have.

Q My question is, if in fact we allow this large scale project to go ahead without negotiating a native claims in the Yukon, would you agree that the Indian people in the Yukon, like in James Bay, would be negotiating with a gun to their head?

A No, I have already stated that. I don't think that that's so.

Q So, in effect, you don't feel that a large scale project such as the Foothills

proposal would in fact prejudice the position of the Yukon Indian people?

A No, I certainly don't, Mr. Joe.

Q Would you -- then I take it that you also don't agree that the James Bay Hydro project prejudiced the Cree people over there?

A Well, from what Mr. Nicholas said and Mr. McCullum said, that agreement did prejudice the negotiations there, I don't know enough about it, even though I -- you know we did look at it, and we looked at it for quite some time. I don't profess to have sat and heard both sides of the story, so I would rather not comment on whether it did or not, if that's fine with the Board?

Q What is your definition of prejudice?

A Well, I think in this context, Mr. Joe, we look at prejudice in the sense of something which would act as a stumbling block or something which takes away from the ability to negotiate on an equitable basis. Would that cover it for you?

Q Is that your --

A That would be how we are looking at it here specifically, unless you would like me to -- .

Q I see. So then I take it from that definition you don't feel that the retention of a strip of land through the Yukon Territory, and a possible strip of land which bisects the Yukon Territory into two main sections would prejudice future Indian land claims based on their traditional economy?

A Well, no I don't think so, and I don't see where you come in with / the bisects into two equal parts, but my understanding of the proposal before is that this pipeline, whether we get into a definition of parallel or runs beside the highway, but the highway exists in that same given area of land in question now. I don't see how this further prejudices the situation in your terms. I don't think that it prejudices the negotiations at all.

Q You don't feel that the possibility of a Dempster lateral would prejudice the subsistence economy of the Old Crow people which are dependent on caribou?

A You make a statement to me that -- and offer for me to agree or disagree, but if you tell me that the Old Crow people are dependent on caribou, that's fine, but I can't answer your question in terms of having a detailed knowledge of that area and a proposal to build a pipeline down it at this point in time.

Q I see. A question on the issue of prejudice may in fact, be gotten from your own comments where you state that the native land claims negotiations have substanially slowed down in the last three months.

A Yes.

Q Perhaps the reason why it has slowed down is because a lot of the requisite manpower required to negoiate that claim has been diverted to this pipeline Inquiry.

A That could be so.

Q And that is in fact, would that be prejudicial in your definition?

A Well, I don't think so.

Q I take it that your parallel -- the call for a moratorium by the Council for Yukon Indians to be paralleled to producing zero growth in the Yukon for ten years?

A We -- I don't know if

you'd use the word parallel, Mr. Joe, but we certainly looked at the, you know, we've heard evidence given on the negative effect of a pipeline being constructed. Well, we looked at the issue in terms of the negative effect of one not being constructed and that possibility and that's where we brought that into our discussion here.

Q You've heard the evidence of John Olthuis and Hugh McCullum, who basically state that the ten years is requisite for the Indian people to get back on their feet and in fact, in a ten year period, there could be a multiplicity of programs carried out by the Government of Canada, designed to that end.

I take it from what you've stated thus far, you still consider that to be zero growth.

A Well, Mr. Joe, hearing evidence presented by two witnesses is one thing. Agreeing with it and agreeing that it's even substantive, is another thing and I certainly don't do that.

Q So you feel that the call for a moratorium for ten years by the Council for Yukon Indians is in fact, will in fact, result in zero growth to the Yukon's economy?

A I think that the call for a moratorium will drastically negate Yukon's economic growth and I don't think that doing something like that would benefit anybody in Yukon in the long run.

Q So I take it then, you are basically disagreeing with the type of proposition that was enunciated by Chief -- or Justice Berger in his report, calling for a moratorium of ten years in the Mackenzie Valley?

A Well, the principal or the theory, if you put that to me, of whether I agree with Justice Berger, but I don't presume to know -- to be an expert on the Mackenzie Valley pipeline situation, but I don't -- you know, the general theory is, I'll agree with you there.

Q So you're agreeing with me in the effect that zero growth would be produced by that type of a proposition, if in fact that a moratorium was advanced --

A In the Mackenzie Valley? No, I won't agree with you to that. I don't know.

Q From there then, in the proposition that was outlined by Chief Elijah Smith at the Berger Hearings in May, '76, which required equity control and Foothills Pipeline (Yukon) --

A Yes.

Q Do you recall the evidence given by Mr. Templeton when I put that question to him as to whether or not native people would benefit from equity control in a pipeline such as Foothills(Yukon)?

A I believe I -- if I'm correct -- he said that it wouldn't really be a benefit, is that what you're getting at?

Q Yes.

A Yes, I recall that.

Q Do you have any comments in response to what Mr. Templeton said?

A Well, I think if you'll see that, you know, we stated in here that Chief Smith's proposal was perhaps not a perfect solution, but it was a positive approach to the question and that's how we presented that. I think it's quite clear in our evidence, Mr. Joe.

Q Is there a possibility of this type of proposal that you're advancing today, expropriating which can go hand in hand without prejudice to native claims. Is that type of a proposition -- will it maintain or establish a precedent for other developments in the Yukon?

A I think if you consider what we said in relation to the question of expropriation in Canada, that that doesn't set a precedent because a precedent has already been set.

Q But specifically relating to native claims, I don't think that precedent has been set.

A Well, I think in the

James Bay Agreement, sets out a certain precedent in that the agreement itself retains and specifically outlines the question of expropriation in relation to public servitudes.

Q Those are all the questions I have Mr. Chairman.

MR. CHAIRMAN: Thank you Mr. Joe. I think I'd like to suggest that we now take our afternoon break.

MR. GOUDGE: Five minutes?

MR. CHAIRMAN: Yes, a brief break and it's proposed that we run until about 6:00 o'clock, is that correct?

MR. GOUDGE: Yes, we have a good deal to accomplish. I am hopeful we can get over it by 6:00,.but we may be a few minutes after.

MR. CHAIRMAN: All right, we'll rise now then for a brief break.

(PROCEEDINGS ADJOURNED).

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. CHAIRMAN: Gentlemen, I think we are ready to proceed now. Mr. Goudge, who is next?

MR. GOUDGE: Ms. McPherson has indicated to me she has no questions for Mr. Morrison and so has Mr. Horton for the Government of Yukon. If I can entice Mr. Bayly, he would be next. Here he comes now, sir.

CROSS-EXAMINATION BY MR. BAYLY:

MR. BAYLY: Mr. Morrison in your evidence you refer to the fact that the Chamber of Commerce has come out previously in support of the settlement of native claims. Is that the position that the Chamber still maintains?

MR. MORRISON: Yes.

Q And would it be fair to say that your support for the settlement is qualified by the things that you have said in this brief with regard, first of all, to the fact that you feel the settlement must be satisfactory to all people resident in the Yukon?

A Well, I don't think that's a fair statement, because I don't think anything is ever satisfactory to everyone.

Q Well, let's say then that it must also provide a basis for economic, cultural, political development which will promote

opportunities and harmony among all residents?

A I think that that's --

Q That's a quote from your evidence.

A Yes, and that's a good feeling of how things are as far as, you know, to the greatest degree possible.

Q Now some things are acceptable to the Chamber of Commerce in their position and some are not and you have said that one that is not acceptable is one which advocates two separate nations within the Yukon Territory?

A Yes.

Q And I take it you define nation the way the Yukon native people do, or do you have another definition for that?

A Well, I don't know. Do you want to tell me how the Yukon people define nation?

Q Well, I want to know how you define it mainly?

A Yes, okay, so do you want to rephrase your question?

Q Take it as rephrased.

A Okay, uh, what we mean in this context of nation is the two nation concept, or two

governments, we don't feel that the majority of Yukon residents would find a native claims settlement which advocated something along the Dene position. We don't feel that they would find that acceptable where we actually have, you know, all native peoples under one separate government, all non-natives under another.

Q So as long as the institutions of government are not separate, can we say that you would find the situation acceptable?

A Yes, that's what we are strictly addressing ourselves to the fact that you know, the Territory is one entity and we all live under one system of government.

Q Yes. Now, you're saying that the model that you have looked at that you find acceptable or that the Chamber of Commerce finds acceptable is the James Bay model?

A I said that we find James Bay to be an appropriate alternative as far as looking at the present situation.

Q Now, I know that you have said in your evidence on the third page that you are not experts on the settlement with the complete details and I don't want to get into that discussion with you, but can I suggest to you that perhaps the James Bay alternative is the only/other alternative that you looked at ?

A In that sense, yes, Mr. Bayly, the only other alternative we looked at.

Q So you didn't look at other proposed or actual settlements either in this country of other parts of the world?

A Yeah, in that sense, we, as I said, we were looking at something kind of in present day terms and in Canada I don't know of any other situation, equivalent situation which we could relate this to in present day, you know, in present day terms.

Q Right. Now we have heard that at the present, the position of the Council for Yukon Indians is that they don't find the James Bay agreement one that they would like to see used as a model for the settlement of Yukon native claims?

A Well, I don't know that. I mean, I haven't heard the CYI say that. I heard the National Indian Brotherhood say that, but -- .

Q If the CYI were to say or had said that it was not acceptable, I take it you would be willing as the Chamber of Commerce to look at other models to see whether they would promote the harmony et cetera that you would advocate?

A Yes. I don't think you should misconstrue what we have been saying here, Mr. Bayly. We would certainly be willing to look at something

else and if the Council for Yukon Indians tell us that this is a very poor situation through their in-depth analysis of it, then I would be prepared to take their word for it, until such time as contrary evidence came to the forefront.

We have not indicated in here that we feel that the James Bay agreement is being put -- or we are putting forward the James Bay agreement as an indication of reaching harmony. We stated, and we were quite specific about that, that we thought that we could use the James Bay agreement as a learning process, and that there may be some poor parts in that agreement and we won't argue that, but there is a section or a provision in that agreement which we feel we may be able to apply here.

Q So you are saying that we can learn from it --

A Yes.

Q -- and so the statement you make on page three"we chose the only other appropriate alternative, James Bay" may be qualified to a certain extent in that there may be other alternative modes of settlement that you haven't yet studied?

A If -- yes, and if you want to qualify by saying in our opinion, --

Q Yes, sure, and we could be further qualified to the extent that there may be things in the James Bay Agreement which would be appropriate to this territory, but not -- but there may be others that are not?

A Yes.

Q Now, have you looked at the James Bay Agreement for the purpose of seeing how long it would take to implement an agreement of that sort?

A No.

Q Do you support the claims of the native people of the Yukon that their claims not only be settled but that there be implementation of the claim?

A Prior to the pipeline?

Q Prior to the commencement of construction.

A Well, I don't think so.

Q So you'd go as far as to say that the agreement should be either made in principal --

A No.

Q -- or signed --

A No.

Q -- before the pipeline?

A We haven't said that.

Q You just want to see them settled?

A Yes and if the native people feel that they need to take ten years to settle the native claims, that's up to them.

Q Do you think they should go through a land selection process prior to construction, even though the settlement may not have been made? That they should designate those lands that they would choose?

A If the persons or say the CYI in their wisdom, feel that this is an appropriate method -- appropriate mechanism to go by, I have no objection to that. I don't see any problem with it.

Q Right. How much pre-pipeline planning time do you think that the non-native people in the Yukon will require, prior to the commencement of construction of the pipeline, as a member of the community and as a representative of the Chamber of Commerce, to gear up for it?

A To gear up for it?

Q Yes.

A I would find it difficult to put an exact, you know, if you were going to give me the opportunity to be flexible and you're not going

to hold me on a --

Q It's just an opinion I'm asking for. I realize that you can't say exactly.

A I think that the process through this hearing, through the N.E.B. has contributed towards that already and as far as gearing up for a pipeline, you know, in some aspects of the community, it would require no time. There are other areas that may require a year. I find it difficult to actually put an exact -- a time frame on it, but when you look at one business that may be already in a position to supply at this point, with no expansion. Like say, the White Pass Railroad, who from what my understanding -- would not require that much addition to its actual structure, other than some additional rolling stock. It may not need, you know, would only need a certain amount of time. Other business may need a different amount of time.

Q Well, how much would be reasonable, given that some people will be ready tomorrow and others will never be ready?

A A year.

Q You'd say a year or a year and a half would be fair?

A I think so. I think that would cover everything.

Q Those are all the

questions I have. Thank you very much.

MR. GOUDGE: Mr. Taves for Canadian Arctic Gas?

MR. TAVES: No questions.

CROSS-EXAMINATION BY MR. GOUDGE:

Q Mr. Morrison, I just have a couple of questions for you. On page 2 of your evidence, I take it you're pessimistic about the ability of the parties to reach an agreement before the commencement of a pipeline, is that so?

A Yes we are.

Q Why don't you see any catalyst being provided by the imminence of a pipeline to assist in the reaching of a settlement?

A I think basically because of the position taken by the Council for Yukon Indians and the progress of the -- and I don't speak to this on a definitive term -- but the public view of the negotiations process, a process which seems to have -- how would we say -- well, it doesn't seem to have much progress being made, and the pipeline question has been imminent for some time.

Q Now, in terms of the Quebec settlement, you're familiar with the appendix attached to your evidence?

A Yes.

Q And you're aware that the participation of the Indians in the governing and regulatory aspects of the James Bay Agreement was limited generally to rules of advice and consultation?

A In the negotiation of the agreement?

Q No, in the regulatory mechanisms resulting from the agreement? Are you familiar with that? Well let me refer you to page 13 of your evidence.

A Okay.

Q Just above the heading 'An Agreement Without Precedent', you'll see the sentence, "they'll be able to make their positions known through advisory bodies and study groups that the government will be obliged to consult." Do you see that?

A Yes.

Q Isn't it true that that's the main avenue of input that Indians were given as a result of the James Bay Agreement?

A Well, I don't want to debate whether or not it was, Mr. Goudge, but my understanding was there was also some municipal structure built into the agreement. The municipal government structure.

Q And those two avenues - the municipal government structure and the advisory and

consultative mechanisms were the limits of native participation resulting from the agreement?

A I don't --

Q Or can you say?

A Well, no I wouldn't agree with you.

Q I see. What else was there?

A There seems to be a system of a regulatory system as far as development and environmental impact and socio-economic impact. There is quite an extensive reference in the agreement to setting up these various regulatory bodies.

Q Isn't it true though, that native organizations had only advisory and consultative roles in connection with those bodies?

A. Do you mean as a native organization as an official participant itself, or as an individual native participating itself?

Q Both.

A Well, perhaps the way I read it, but I wasn't left with that impression.

Q I see. Now, in terms of your own proposal, which is helpful because of its attempt to address the problem, you refer to compensation through an expropriation mechanism. You're thinking there only of money, are you?

A Well, Mr. Joe persued that same point, Mr. Goudge, and the compensation, as we've mentioned, I don't profess to try and address myself to something that is a -- that will be -- it will come under the process of negotiation between the Council for Yukon Indians on behalf of the Yukon native people and the Government of Canada. Now, if the native people put forward their position that it's money, land, both, three other things or four other things, and they negotiate with that with the Government of Canada, then that's what it will be, but not something that I suggest it might be.

Q All right. Now, lastly, it terms of the evidence you gave previously and you refer to here tangentially, your local hire policies, your definition of Yukoner was central to that.

A Yes.

Q The question that occured to me after you raised that point is this: your definition, I take it, doesn't take account of those who are not resident in the Yukon, as of January 1, 1977, but who might have their domicile here, if I can use that distinction?

A Let's say, if you want, if you're looking at a qualification of a university student or something, I think what that definition relates to is someone who is resident here, as of January 1st. Resident being who actually lives here.

Q Who has the intention to make Yukon their permanent home as of January 1, 1977?

A Yes, and who already maintains a home here, or some such dwelling.

Q Including within the definition, then, someone who is away for six months over that date?

A I would think that we would allow that. You know, that was part of the interpretation.

Q Why did you steer away from a period of time prior to January 1, 1977? For example, someone who had been here for a year, as of January 1, 1977?

A Do you mean that someone would have had to be here other -- excuse me -- someone

would then have had to have been here January 1, 1976?

Q Well, the reason for the period of time, I suggest to you, is that it demonstrates some commitment of permancy here in Yukon.

A Yes, and we also felt that it was a fairly true reflection of the lack of speculators in the area. We didn't think that in that point in time, you know, that people had rushed up and set up residence because they thought there was going to be a pipeline.

Q You're anxious that whatever definition be written, it have as a dimension some degree of permanent commitment to the Yukon?

A We are anxious, yes.

Q And you think your definition does that trick?

A We think that it's a, it offers a possible solution, yes.

Q Thank you, those are all the questions I have.

MR. CHAIRMAN: I take it, Mr. Morrison, there'll be no re-examination of the witness?

A No, no re-examination.

MR. CHAIRMAN: The Board has no questions, thank you very much.

MR. MORRISON: Thank you.

MR. GOUDGE: I would propose, sir, that we continue on if we might. Mr. Bayly, for Yukon Conservation Society is offering a policy panel, purely for the purposes of cross-examination of evidence that was given, you'll recall, but Mr. Williams and which appears in the transcript beginning at page fifteen ninety-three and perhaps I could turn it over now to Mr. Bayly to bring that panel forward.

MR. BAYLY: The panel will consist of Mr. Rob McCandless and Mr. Dave Mossup, both directors of the Society, if they could take their places on the witness stand.

ROB MCCANDLESS: Resumed

DAVID MOSSUP: Sworn

MR. BAYLY: Mr. Mossup, you haven't been sworn into this Inquiry, have you, sir?

Perhaps I could just have these gentlemen describe their relationship to the Yukon Conservation Society. Could we start with you, please, Mr. Mossup? Could you tell me what position you hold with the society?

MR. DAVID MOSSUP: I'm the Acting Vice President of the Society

MR. BAYLY: And Mr. McCandless, what is your position with the Society, please?

MR. MCCANDLESS: I'm a director of the Society.

MR. BAYLY: The panel is now available for cross-examination.

MR. GOUDGE: Thank you, sir. Taking the usual order with witnesses called by other parties, call first on Mr. Joe for the Council for Yukon Indians.

MR. JOE: No questions.

MR. GOUDGE: Mr. Morrison -- seems to have gone.

Ms McPherson?

Mr. Horton.

MR. HORTON: I have a few questions.

CROSS EXAMINATION BY MR. HORTON

MR. HORTON: I'll not try to address my questions to either of you in particular, I guess, whichever of you wishes to answer go ahead and answer. With the exception of the first question, which I do direct specifically to you, Mr. McCandless. I take it that the conclusion to arrive at from your presentation is that it is your position that this idea of Foothills consuming electric power for the purpose of driving its compressors is, I think ludicrous is the word you used, that they simply cannot do it economically. Is that your conclusion?

MR. BAYLY: I think he gave the same piece of evidence, Mr. Chairman, Mr. McCandless is going to be giving the direct evidence for which this is a question in cross-examination following this panel. I think if Mr. Horton could wait until that time it will make more sense to the Board.

MR. HORTON: Yes. That's fair enough. I'll hold it for them then.

The objectives of the Yukon Conservation Society is development in the Territory potentially consistent with those objectives?

MR. MOSSUP: Is development consistent with the objectives of the Conservation Society? I would have to say yes. We have discussed this at length and I think there is agreement among the members of the Society that we favour orderly planned development which I think is something quite different than we often witness in the North.

Q So then is your objective to the particular Foothills proposal more an objection to the specifics of implementation of that proposal than it is to the proposal in the general terms of a pipeline down that transportation corridor?

A I think our objection if you like, is far more complicated than that and I can talk myself primarily to the environmental problems

with the proposal. Our point, which, I guess our central point which we wish to make over the next few days is that I guess the job of this panel is impossible, that there isn't enough evidence, environmentally, to make the kind of decision that this panel has been asked to make.

The studies haven't been done environmentally. The information base that we need, for instance, to manage our wildlife populations in the face of a large development like this is not available. I think socially the problems are somewhat parallel.

Q Then for example, you are suggesting something far more comprehensive than the Carson-Templeton group report is necessary? That it's not sufficient?

A That is correct.

Q Something even more than it is necessary?

A M'hmm.

Q Are you quite sure what?

A We're ready to outline specifics on what we think are required.

Q Now is that to be part of subsequent panels?

A It will be yes.

Q That the Conservation

Society will be presenting to this Inquiry?

A The Conservation Society and I'm sure other intervenors will be presenting the kinds of information gaps.

Q Can you outline some of the general areas where those information gaps, you feel, presently exist? Particularly in the socio-economic area.

A Pardon me?

Q Particularly in the socio-economic area?

A Perhaps Rob would answer that.

MR. MCCANDLESS: I will try and summarize them, but the evidence that the Society placed before the National Energy Board and evidence that will be coming will sort of explain it in more detail. I think basically we feel that the applicant has not made a fair assessment of the effect of it's proposal on the Yukon Territory. Before the National Energy Board, we said they did in effect a rush job, that it was just inadequate. The taking into account the Carson-Templeton study, which does look at some of the socio-economic impacts that has improved the appearance of the application, but it is probably still insufficient and to a certain extent we are supported in this opinion by the fact that the National Energy Board today has recommended that the applicant be

required to put up two hundred million dollars to meet the socio-economic costs of a pipeline through the Yukon.

I think that the Conservation Society can take some credit for that.

Q Can you be more specific. In what areas still need more work done on them for the purpose of having some realistic idea of what the impact will be?

A Well, the obvious one that has been gone into at length before this Inquiry is the applicant's estimation of population increase as a result of the proposal.

Q That's one area. And there is a --

A The secondary might be revenue accruing to the Territorial Government from the pipeline with which the government could possibly meet the effects of the pipeline through the Yukon.

Q A third area?

A It's not my field. I don't think I can say, but I can recognize that in the population in failing in their population estimates, they -- that's the foundation of the whole thing.

Q You recognize that there is already a substantial conflict of evidence on that very issue do you before this Inquiry?

A Yes.

MR. MOSSUP: I wonder if it is not fair to point out that the Conservation Society plans on six panels of witnesses over the next two days which will be addressing and which will be composed of expert witnesses in these fields and perhaps can answer some of these questions.

Q The possibility, I guess primarily on the bottom of the third page and over on to the top of the fourth page of the policy presentation, that the Conservation Society is of the opinion that an Alaska Highway pipeline may be the trigger for other huge developments?

You list several. I wonder if you could explain how it is that the pipeline would trigger these other huge developments?

A You're asking how we feel it would trigger it?

Q Yes.

A Okay, if a pipeline comes through, there will be massive investment in the Yukon Territory, both public and private. There will be a sector of the Yukon economy that will be built up to supply construction on the pipeline. After the pipeline is completed, there will be relentless pressure from this private investment to have similar investments, to maintain their investments by having similar growth.

Like once you get the infrastructure built to service pipeline-related construction, it will want to continue meeting that -- or continue providing that kind of service.

Q Okay, now does that point of view that you have pre-suppose , that the gearing up for pipeline construction that in fact, occurs locally, will be done to such an extent that in the absence of active pipelines all over, the massive capital investment that has to be sustained? Does it pre-suppose that businesses will expand without a view to the short term

nature of the construction?

MR. BAYLY: Are those two questions or one question?

MR. HORTON: Well, the witness can treat them as either two questions or one question, whichever he prefers.

A I think the executive has the consensus that local business is likely to over-capitalize, yes.

Q So then the argument that you have stated to some extent, assumes that the over-capitalization will occur? Am I correct in drawing that inference?

A Yes. That is my own belief that that is one of the things which will occur which will trigger these other developments listed.

Q I'm wondering whether you make the suggestion that the pipeline project would trigger other huge developments on the basis of any sort of feeling or any sort of documented proof that the whole economics of the construction of the Alaska Highway pipeline assumes other development would take place as well? That it is contingent upon for example, a Dempster Highway pipeline route in the future. Is that part of your argument?

A I'm sorry, but I don't understand your question.

Q Well, are you suggesting that the pipeline -- Alaska Highway pipeline -- would trigger other development because there are other as yet, not stated things or only superficially stated developments that must occur in order for the pipeline to be economically viable?

A It's my understanding that according to the applicant, their proposal will stand on its own. It doesn't need any other development to go ahead.

Q Okay. Can you see any reason why these other developments that you've listed, the Dempster Highway pipeline lateral, a large hydro-electric development, looping of the proposed pipeline, an oil line down the Dempster, development of the Eagle Plains gas field and the Snake River iron reserves -- must of necessity, follow upon the construction of a pipeline?

A Not of necessity, no.

Q So then there would still be an option in the future to say no to any of those. developments, would there, do you feel that there would be?

A There would be the option indeed of saying no, but the voice would become fainter after the pipeline. Also of course, each of these other projects could conceivably go ahead on its own. Well, wait a moment. If the gas line is built, then the Dempster

Highway gas line is likely; an oil line less likely; they are connected to a certain extent, but some of them such as the Snake River iron could occur on their own. But they are basically connected. They are more likely if the gas line goes ahead.

Q Why are they more likely?

I think you've already mentioned the one reason, consequential upon over-capitalization of local business in the Yukon, raising pressure for continued development but would there be other reasons?

A Yes, because if the gas pipeline goes ahead, it's our contention that the territory will be -- the population of the territory will increase to a very large extent, so the voices of those who have legitimate complaints, legitimate concerns about new development they will become an even smaller minority in the Yukon population and would therefore, be less likely to have any influence on the government in affecting the government's choices as to whether or not these developments should go ahead.

Q You're referring to permanent population increase of substantial numbers are you?

A Yes.

Q And that's something that the Conservation Society will be addressing in a sub-

sequent Panel? That particular subject - permanent population increase?

A That's my understanding that it will be covered.

Q Okay. You refer on the bottom of page 3 of your Policy Statement, that this society feels that the future of Yukon has in its value, a wilderness area to the rest of North America and the world. In order to preserve this wilderness value, the Yukon should be looking towards controlled growth and economic stability.

I wonder if you could perhaps be more descriptive of what value you of the Yukon Conservation Society see in the wilderness. I'm not trying to be facetious by asking the question. I'm really asking simply for something more descriptive than merely the assertion that it has a value.

A I think one of the things that we are concerned about, slightly avoiding the question for the moment, is that there are all kinds of things that don't exist in the Yukon which are our Society's institutions for protecting nature, if you like, the way the world was before there were people.

Some of these things are national parks, a viable system of wildlife, refuges, territorial parks, IBP sites, even a meaningful land use policy. Things that I think most Canadians take for granted where they live are non-existant in the Yukon. So we fear a boom in that human population in the Yukon at this time before these things can be put in place.

What we look at as worthy of protection is, I think, is perhaps a little simplistic to just talk about wilderness which in my own mind is completely pristeen country with nobody in it at all. I think that should be developed perhaps a little bit to include a wisely managed country -- land.

Q So your concern would be greater development than has hitherto been the case in the Yukon of these protection mechanisms if I may call them that?

A I'm not saying that we haven't had booms in the Yukon in the past, because we have experienced some tremendous booms in the Yukon, but I

think we have the capacity in this day and age to meet those booms, whereas in the past they just seemed to happen.

Q Does that capacity exist in respect of the proposed development that we are talking about in this Inquiry?

A I certainly hope it does. I have faith that it does.

Q Pardon, you what?

A I have faith that that capacity does exist in society and this panel is part of that process.

Q To create the protection mechanisms, if I may use that phrase?

A That's -- this is a part of that process, yes.

MR. HORTON: I have no further questions.

MR. GOUDGE: Mr. Taves for Canadian Arctic Gas?

MR. TAVES: No questions.

MR. GOUDGE: Mr. Hudson for Foothills Pipe Lines?

CROSS-EXAMINATION BY MR. HUDSON:

MR. HUDSON: Is there any area in the policy statement that is not being covered by panels to be forthcoming in the next two and a half days?

Aside from, I believe you had four concerns?

MR. MOSSUP: We intend on calling on six panels. The first two panels will address environmental issues. The first one fairly broadly, and the second one related primarily to the Dempster Highway. The third one -- the third, fourth, fifth and sixth presentations will be primarily social and economic.

My feeling is that it certainly is the general philosophy expressedin our policy statement will be handled.

Q You have done that in part in your answers to Mr. Horton I suppose?

A Yes.

MR. BAYLY: If could just interfrupt. If the applicant or any other participant feels at the end of the evidence we do call, that there are questions that they still have with regard to this evidence, we will either recall these gentlemen or other people who can speak for the Society to answer those questions. If I get an indication that that's required, I will do that.

MR. CHAIRMAN: Thank you, Mr. Bayly.

MR. HUDSON: Thank you. Just one before -- Mr. McCandless, you indicate that when the permanent, whenever the permanent population increase

occurs, that the people who feel, as your group does, wil find themselves in a more minor position than they are now, does that fairly state what you said?

MR. McCANDLESS: That's my belief.

Q You take the presumption then that these people coming in, or this permanent employment will in the main not be of the same view as you in a matter such as this?

A Yes, that's my belief.

Q Isn't it fair to take the opposite that these people coming in here taking this permanent employment with their dependents could very well take the same views proportionately that you do?

A They could, but then that would mean that -- they would probably change their mind, because if they thought sort of as we do, they would probably be here now.

Q I see.

MR. HUDSON: I have no further questions, thank you.

MR. GOUDGE: A couple of questions if I may, sir?

CROSS-EXAMINATION BY MR. GOUDGE:

MR. GOUDGE: Mr. Mossup, you

were talking with Mr. Horton about the development of land use planning, IBP sites and the like, mechanisms that exist in southern Canada that don't exist here. You say those are necessary or certainly desirable prior to a large scale people influx?

MR. MOSSUP: That would be ideal yes.

Q What kind of time frame are you talking about for the development of a satisfactory set of mechanisms in that connection?

MR. MCCANDLESS: Well, of course, the biggest stumbling block in our way of institutions that we use, if you like, in managing wildlife populations throughout Canada is the control over the use of wildlife population by it's citizenry. As you know in the Yukon Territory, until such time as the Indian land claims are settled, at least, that is not possible. So, what you are asking me is the magic question that every Yukoner is asking; how long will it take until the Indian land claims are settled, which the Yukon Conservation Society is on record as saying should be settled before major development takes place and on and on, and then we start asking the question well how long will it take to develop a good sound land use study of the Yukon Territory, which, of course, has been asked for years.

Q What's the answer?

A I'm not about to give an answer.

Q I see.

A We know, in our narrow disciple that we work in, we know roughly how long it would take to develop a policy, for instance, to manage a sheep population, to manage a caribou population. We can put numbers around that, but you're talking about huge social problems and how long will it take to solve that. I just can't give an answer.

Q I see. So I take it if I ask you to assume a less than ideal world where a pipeline proceeded in advance of a land claims settlement and if I then further asked you what time would be necessary to build in a satisfactory land use mechanism, you'd decline to answer?

A I don't think ten years is too long.

Q What's reasonable?

A That's as far as I'll go.

Q Okay. I think you answered this with Mr. Hudson, but just to be sure I take it the panels you have coming indentify and deal with major areas of information gaps that you say exist in connection with the application by Foothills pipeline. Is that fair?

A Yes, I would say that's

fair and perhaps Mr. Bayly, you can help me a bit. What -- in some instances I think it's fair to say we have discussed with other -- what other interveners, the kinds of testimony they're going to put and therefore we're not going to cover everything, but we trust everything in our policy statement will be covered.

Q And you indicate in your policy statement the need for further research in order to provide adequate information, no doubt about that.

A This is one of our major contributions, we hope.

Q Taking it at the global level now, do you have any time frame for the conducting of that research?

A Again, in narrow disciplines, yes, we do.

Q In the overall sense?

A In the overall sense, I know of no discussion on our --

Q I see, so you don't feel comfortable answering that question?

A No.

Q Okay, well, if you do discuss it amongst yourselves over the next day or two, we'd be greatful if you'd respond through Mr. Bayly.

Lastly, your second concern as

expressed at page fifteen ninety-six of the transcript, is that the route selected is unacceptable from environmental stand point for reasons that you give. What route were you referring to?

A What route were we referring to, yes. Well, there's more lines on that in the Yukon Territory.

Q Let me put the question the other way. What's your response if I ask you the question about either the Tintina Trench route or the Dawson alternative?

A Let me talk about the Alaska Highway route for just a minute. We have had some discussion since we wrote this policy statement and I think we perhaps are being a little bit derelict in our -- to our morals, if you like, in that we pointed out over and over again that the -- and it seems that every national news that you see, you learn about a pipeline that's coming down the Alaska Highway and I think we have spent considerable time and effort pointing out that that is not strictly speaking true. The pipeline doesn't necessarily come down the Alaska Highway. It diverges from it extensively and, in fact, at the point where that pipeline leaves the Yukon Territory this philosophy that sounds so good to environmentalists goes by the board completely and the line takes off across country. Now, we know of no hearing process going to address the problem in British Columbia. Perhaps it's a thing that this panel perhaps should

be aware of, in making their decisions.

The other routes, I think, suffer for the same reason that the Foothills application suffers. It's impossible to make a decision on a problem where there is no information base, or where the information base is too thin. And certainly the other routes fall into that category.

Q I see. Thank you. Those are all the questions I have.

MR. CHAIRMAN: Thank you very much gentlemen. Keeping in mind that Mr. Bayly has given you an undertaking that should there be further cross-examination, would be available at a later date.

Before we adjourn Mr. Goudge, do you have something to say about the order of proceedings tomorrow? Oh, I'm sorry. Mr. Bayly, I neglected to ask you whether you had anything in the way of re-examination.

MR. BAYLY: Mr. Chairman, I'm prepared to have Mr. McCandless -- I have no re-examination -- but I'm prepared to have him read his evidence In Chief in this evening, if that's agreeable so that he'd be available first thing in the morning for cross-examination. I'll leave--I'm in the hands of the Board with regard to that. It isn't a lengthy presentation.

MR. GOUDGE: Can I suggest sir. We all have it. It will be a short presentation. I suggest rather than do it now, we all be here promptly at 10:30 tomorrow morning and Mr. McCandless if he doesn't mind, can commence his evidence In Chief then. It won't take very long, if that suits you sir.

MR. CHAIRMAN: I think that would be quite an acceptable procedure, so we'll now stand adjourned until 10:30 in the morning.

(PROCEEDINGS ADJOURNED).

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